2013

FINANCIAL REPORT

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SNCF

MANAGEMENT STATEMENT FOR FINANCIAL REPORT

LA PLAINE SAINT-DENIS, 13 FEBRUARY 2014

We attest that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting principles and give a true and fair view of the assets and liabilities and the financial position of the Group as of 31 December 2013 and of the results of its operations for the year then ended, and that the accompanying management report fairly presents the changes in operations, results and financial position of the Group and a description of its main risks and uncertainties.

GUILLAUME PEPY
THE CHAIRMAN

MATHIAS EMMERICH
EXECUTIVE VICE-PRESIDENT FINANCE, PURCHASING AND INFORMATION SYSTEMS

01— MANAGEMENT REPORT

Normes IFRS. En millions d'euros

SNCF GROUP IN 2013

GROUP RESULTS AND FINANCIAL POSITION

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SNCF GROUP IN 2013

1. MAJOR EVENTS OF THE YEAR

1.1 NEW ACCOUNTING STANDARDS APPLICABLE

SNCF Group adopted new IFRS standards for the opening balance of its 2013 consolidated financial statements, and specifically IAS 19 revised and the consolidation package comprising IFRS 10, 11, 12 and IAS 27 and 28 revised, with major consequences on the financial statements taken as a whole. The nature of the changes and their impacts are presented in Note 1 to the annual consolidated financial statements.

1.2 REVERSAL OF THE IMPAIRMENT LOSS RECOGNISED FOR SNCF INFRASTRUCTURE – WORKS AND MAINTENANCE

Due to the absence of a long-term horizon and unfavourable results, the assets of this CGU were 100% impaired in 2009. Pursuant to the application of IAS 36 on asset impairment, cumulative and favourable indications of recovery were observed in the first half of 2013:

– confirmation of a revenue improvement trend for the CGU, enabling it to cover its expenses for the production volume requested by RFF; and

– presentation of the major rail system reform strategies to the Council of Ministers' meeting (Conseil des ministres) held on 29 May 2013, as featured in the future draft law and which will strengthen the improved outlook expected for this CGU.

Consequently, the impairment losses recognised in the past have been reversed so that the net carrying amount of the assets corresponds to the amount that would have been obtained had they never been impaired. A net gain of €546 million was recognised under the "Impairment losses" item in the SNCF Infra division income statement. As the assets again have a non-zero depreciation base, depreciation charges have again been recognised in the income statement for this CGU.

The test assumptions and its impacts are described in Note 8 to the consolidated financial statements.

1.3 IMPAIRMENT LOSS RECOGNISED FOR THE TGV FRANCE AND EUROPE (EXCLUDING EUROSTAR) CGU

The decline in operating conditions already observed in 2011 worsened in 2013. The deterioration in a certain number of economic parameters resulted in a new impairment loss for the "TGV France and Europe (excluding Eurostar)" CGU at the year-end. The following changes were noted:

– A sharp and continuous increase in infrastructure fees, marking the TGV's contribution to the network's financing.

– Reduced growth in traffic income combined with the impact of competition from other types of transport (low-cost flights, car pooling).

– Sustained high capital intensity and a substantial level of investment with the arrival of new TGV2N2 trains and the new order placed in 2013.

– The consideration of unfavourable assumptions regarding new high-speed train services which have shown a tendency to be less profitable due to very high infrastructure costs and, conversely, a greater number of services.

Some of these factors may improve, particularly traffic growth depending on the international economic context. However, as provided for in IAS 36 "Impairment of assets", the Group had to carry out another impairment test for this CGU. The test results gave rise to the recognition of a €1,400 million impairment loss in "Impairment losses" on the income statement, largely to offset the decrease in value of property, plant and equipment. This impairment demonstrates that the "TGV France and Europe (excluding Eurostar)" CGU is not sufficiently profitable to cover the carrying amount of its fleet and its renewal.

The test assumptions and its impacts are described in Note 8 to the consolidated financial statements.

1.4 TRANSFER OF FINANCIAL ASSETS

In December 2013, the Group transferred receivables from its statement of financial position in two transactions:

– A portion of non-current concession financial assets were securitised under the same terms and conditions as the transaction completed in December 2012. This resulted in the posting of a net receipt of €141 million in "Disposals of financial assets" on the cash flow statement.

– The receivable generated in 2013 by the Competitiveness and Employment Tax Credit set up by the French government (see Note 1.1.2.3) and recorded for French tax consolidation groups was assigned under the Dailly Law. As this involves an operating receivable, its assignment led to a posting of a net receipt of €184 million in "Net cash from operating activities" on the cash flow statement.

Details are provided in Note 28.3 to the annual consolidated financial statements.

1.5 DERAILMENT OF AN INTERCITÉS TRAIN ON 12 JULY 2013

On Friday 12 July 2013, Intercités train 3657 on the Paris-Limoges run derailed in the Brétigny-sur-Orge station (Essonne), with 385 passengers on board. The accident left 7 dead and 30 injured. The extensive material damage stopped and then severely limited circulation for Freight, Intercités and Transilien trains between Paris, Limoges and Toulouse, Paris and Orléans, and the southern trunk lines of the RER C.

All steps were immediately taken to assist travellers, ensure network security and facilitate a return to normal rail traffic as soon as possible.

A national coordination authority, representing all stakeholders and victims' associations, was set up at the request of the French government, in order to guarantee a fair and timely compensation for victims. Signed on 26 September 2013 by the authority's principal members, the national compensation agreement sets out a framework defining the main principles of compensation for the physical damage suffered by the victims and guarantees timely and comprehensive compensation for losses.

As a precautionary measure, on 8 October 2013 SNCF and RFF launched the Vigirail programme, designed to improve switching safety and modernise track maintenance.

At this stage, all that is known is the source of the accident. Investigations to determine the causes are still ongoing. The French Land Transport Accident Investigation Bureau (BEA-TT) published its progress report in January 2014. This report, which clarifies the events and their causes, was presented to SNCF and RFF directors on 13 January 2014 and will serve as a basis to reinforce safety measures for the French railway system. This interim report is a technical investigation. Liability for the accident will be determined by the ongoing judicial proceedings.

1.6 RAILWAY SYSTEM REFORM

The major strategies of the railway system reform were presented to the Conseil des ministres on 29 May 2013. The proposed bill will be read for the first time at the French National Assembly on 16 June 2014.

2. KEY FIGURES

In € millions	2013	2012 (1)
Revenue	32,232	32,225
Gross profit	2,804	2,748
Current operating profit	1,000	1,382
Operating profit after share of net profit of companies consolidated under the equity method	303	1,194
Finance cost	-299	-450
Net profit attributable to equity holders of the parent	-180	376
Cash flow from operations	2,181	1,852
Net investments	2,240	2,077
Current operating profit after share of net profit of companies consolidated under the equity method	1,009	1,436
ROCE (2)	5.7%	8.1%
Employees	244,570	243,954

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements: early adoption of the "consolidation package" and application of IAS 19 revised on employee benefits.
(2) ROCE or Return On Capital Employed = the ratio between current operating profit after share of net profit of companies consolidated under the equity method and average capital employed. The capital entering into this calculation is the algebraic sum of equity (including non-controlling interests - minority interests) and net indebtedness. They are adjusted for asset impairment. The average with the prior year's capital employed gives the average capital employed.

In € millions	31/12/2013	31/12/2012(1)
Net debt	7,391	7,521

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements: early adoption of the "consolidation package" and adoption of IAS 19 revised on employee benefits.

3. SUBSEQUENT EVENTS

Following a call for tenders initiated in July 2012, on 8 January 2014, the Massachusetts Bay Transportation Authority (MBTA) announced that it was accepting the offer submitted by the SNCF-Keolis grouping for the operation of the Boston (United States) municipal rail network. The eight-year contract will be effective as of 1 July 2014. The network will serve 140,000 passengers daily in 134 stations, across 13 lines, or more than 1,000 km of track. Annual revenue amounts to US$300 million.

GROUP RESULTS AND FINANCIAL POSITION

1. GENERAL OBSERVATIONS ON GROUP RESULTS

In € millions	2013	2012 (1)		2013 vs. 2012 change
Revenue	**32,232**	**32,225**	**7**	**0.0%**
Infrastructure fees	-3,602	-3,494	-108	3.1%
Purchases and external charges excluding infrastructure fees	-12,017	-12,168	151	-1.2%
Taxes and duties other than income tax	-1,117	-1,157	39	-3.4%
Employee benefit expense	-13,063	-12,825	-238	1.9%
Other income and expenses	371	166	205	122.9%
Gross profit	**2,804**	**2,748**	**56**	**2.0%**
Depreciation and amortisation	-1,553	-1,449	-104	7.2%
Net movements in provisions	-250	82	-332	-404.6%
Current operating profit	**1,000**	**1,382**	**-381**	**-27.6%**
Net proceeds from asset disposals	180	207	-26	-12.7%
Fair value remeasurement of the previously held interest	-1	3	-3	-120.5%
Impairment losses	-886	-451	-436	96.7%
Operating profit	**294**	**1,140**	**-846**	**-74.2%**
Share of net profit of companies consolidated under the equity method	9	54	-45	-83.6%
Operating profit after share of net profit of companies consolidated under the equity method	**303**	**1,194**	**-892**	**-74.7%**
Finance cost of employee benefits	-78	-140	62	-44.4%
Net borrowing and other costs	-221	-310	89	-28.8%
Finance cost	**-299**	**-450**	**151**	**-33.6%**
Net profit before tax	**4**	**744**	**-740**	**-99.5%**
Income tax expense	-166	-346	179	-51.8%
Net profit/(loss) from ordinary activities	**-162**	**399**	**-561**	**-140.8%**
Net profit/(loss) from discontinued operations	0	0	0	-99.3%
Net loss attributable to non-controlling interests (minority interests)	-17	-22	5	-23.3%
Net profit/(loss) attributable to equity holders of the parent	**-180**	**376**	**-556**	**-147.8%**

Gross profit/revenue	8.7%	8.5%
Current operating profit/revenue	3.1%	4.3%
ROCE (2)	5.7%	8.1%

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.
(2) See definition of ROCE in Key figures.

1.1. COMPARABILITY OF THE FINANCIAL STATEMENTS

The comparability of 2013 results with those of 2012 was impacted by the following changes:

In € millions		Impact on changes in revenue
SNCF Proximités division	**Changes in 2012 Group structure** [1]	
	Takeover of Syntus	30
	Other changes in Group structure	1
	Changes in 2013 Group structure	
	Acquisition of Trimi	6
	Other changes in Group structure	1
	Exchange rate fluctuations	-36
SNCF Voyages division	**Changes in 2013 Group structure**	-1
	Exchange rate fluctuations	-1
SNCF Geodis division	**Changes in 2012 Group structure** [1]	
	Acquisition of the Sernam business	26
	Acquisition of MF Cargo	5
	Takeover of Avirail	9
	Other changes in Group structure	-1
	Changes in 2013 Group structure	
	Sale of Novatrans	-19
	Change in the consolidation method of Avirail Italia	-4
	Other changes in Group structure	1
	Exchange rate fluctuations	-116
Common operations and investments	Change in the consolidation method of Eurailtest	-4
Inter-division eliminations	Impacts of changes in Group structure on inter-division eliminations	-6
Total Group structure and exchange rate impacts		**-111**

[1] Operations carried out in 2012 having an impact on 2012/2013 revenue trends.

1.2. 2013 RESULTS

1.2.1 Revenue

SNCF Group consolidated revenue, which remained stable compared to 2012, totalled €32,232 million as at 31 December 2013.

This stability was attributable to:
– a Group structure impact of +€42 million (see 1.1),
– a foreign exchange impact of -€153 million (see 1.1),
– an organic increase of +€118 million (+0.4%) for the Group; the changes for divisions were as follows:

SNCF Infra	+€24 million	+0.4%
SNCF Proximités	+€74 million	+0.6%
SNCF Voyages	-€100 million	-1.4%
SNCF Geodis	-€170 million	-1.8%
Gares & Connexions	+€216 million	+22.3%

1.2.2 Gross profit

Standing at €2,804 million in 2013, gross profit increased by €56 million or 2.0%, while gross profit over revenue rose from 8.5% to 8.7% between 2012 and 2013.

In € millions	2013	2012 [1]	2013 vs 2012 change		2013 vs 2012 change on a constant Group structure and exchange rate basis	
Revenue	32,232	32,225	7	0.0%	118	0.4%
Employee benefit expense	-13,063	-12,825	-238	1.9%	-250	1,9%
Purchases and external charges (excluding infrastructure fees, traction energy and fuel costs) and other income and expenses	-10,483	-10,840	357	-3.3%	248	-2.3%
Infrastructure fees	-3,602	-3,494	-108	3.1%	-107	3.1%
Traction energy and fuel costs	-1,163	-1,162	-2	0.2%	2	-0.2%
Taxes and duties other than income tax	-1,117	-1,157	39	-3.4%	37	-3.2%
Gross profit	2,804	2,748	56	2.0%	48	1.8%
Gross profit/revenue	8.7%	8.5%				

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.
NB: The analyses concerning gross profit involve changes on a constant Group structure and exchange rate basis.

Employee benefit expense increased by €250 million or +1.9%, primarily due to the 2.0% rise in average staff costs per employee.

Purchases and external charges (excluding infrastructure fees, traction energy and fuel costs) and other income and expenses declined by €248 million (-2.3%). The recognition of the Competitiveness and Employment Tax Credit had a favourable impact on this line item (see Note 1.1.2.3 to the annual consolidated financial statements). Excluding this line item, the decrease in Purchases and external charges (excluding infrastructure fees, traction energy and fuel costs) and other income and expenses reflected the sluggish activity.

The €107 million (+3.1%) rise in **infrastructure fees** was attributable to a negative price impact of €195 million on the RFF infrastructure fees paid by the SNCF parent company and a positive volume impact of €84 million on these same infrastructure fees.

The €37 million (-3.2%) decline in **taxes and duties other than income tax** was primarily due to the decrease in the Regional Solidarity Contribution, which fell from €135 million in 2012 to €90 million in 2013.

1.2.3 Current operating profit

Current operating profit totalled €1,000 million, down €381 million compared to 2012.

The revenue to current operating profit conversion rate therefore dropped from 4.3% in 2012 to 3.1% in 2013.

The increase in depreciation and amortisation charges (€104 million) was due to the reversal of the impairment loss of SNCF Infra – Works and maintenance for €60 million (see Note 1.2 Major events of the year).

Net movements in provisions resulted in a €250 million charge at the end of December 2013, compared to a €82 million reversal at the end of December 2012. The 2013 net charge was mainly attributable to the adjustment in the measurement of risks concerning current litigation and the consideration of new litigation during the period. The 2012 net movements mainly involved provision reversals for litigation that was settled or litigation whose risk had diminished during the period.

1.2.4 Operating profit

Operating profit declined by €846 million, amounting to +€294 million.

Net proceeds from asset disposals in 2013 mainly comprised property sales.

Impairment losses in 2013 (-€886 million) mainly comprised the impairment of TGV assets for -€1,400 million (see Note 1.3 Major events of the year) and the reversal of the impairment of SNCF Infra – Works and maintenance for €546 million (see Note 1.2 Major events of the year). The 2012 accounts had been impacted by the impairment of the SNCF Geodis division's Global Offering CGU for -€300 million and the impairment of the SNCF Infra division's new assets for -€152 million.

1.2.5 Finance cost

Finance cost decreased by €151 million. Adjusted for positive fair value impacts (+€73 million), finance costs dropped by €79 million. This improvement was attributable for €62 million to the finance cost of employee benefits which had been impacted in 2012 by a lower discount rate and updated commitment calculation assumptions.

1.2.6 Income tax expense

Income tax expense declined by €179 million between 2012 and 2013. Since a 2013 taxable loss was recorded for the tax consolidation group, no current tax expense was recognised for the year. The 2013 income tax expense mainly comprised tax on rail company profits.

1.2.7 Net profit/(loss) attributable to equity holders of the parent

As a result of all these changes, a -€180 million net loss attributable to equity holders of the parent was recorded, compared to a net profit of €376 million in 2012, after recognition of the net loss attributable to non-controlling interests (minority interests) of €17 million.
The €556 million decrease in net profit attributable to equity holders of the parent was attributable for -€448 million to non-recurring items, particularly the increase in impairment losses (-€436 million). Impairment losses are analysed in Note 1.2.4. (see above). Recurring net profit decreased by €107 million, standing at +€582 million at the end of December 2013. ROCE (calculated on current operating profit after share of net profit of companies consolidated under the equity method) dropped from 8.1% to 5.7%.

2. ACTIVITY AND RESULTS BY DIVISION

SNCF Group activity is structured according to five divisions that are supported by common operations: SNCF Infra, SNCF Proximités, SNCF Voyages, SNCF Geodis and Gares & Connexions.

SNCF GROUP

SNCF INFRA	SNCF PROXIMITÉS	SNCF VOYAGES	SNCF GEODIS	GARES & CONNEXIONS
Rail network operation and management	**TER**	**Operators** TGV® iDTGV Eurostar Thalys Lyria Alleo TGV® Italia Elipsos Westbahn NTV iDBUS Special trains Auto-Train Luxembourg-Basel	**Geodis**	**Management and development of French train stations**
Works and maintenance	**Transilien**		**STVA**	**AREP Group**
	Intercités		**Rail freight and multimodal transport**	
Engineering Systra	**Keolis**	**Sales** voyages-sncf.com CRM Services Rail Europe	**Rail freight fleet management**	**Group A2C**

Contributions to revenue, gross profit, current operating profit and net investments of the Group's components break down as follows (the financial data per division shown in the table below and the tables on the following pages include all transactions between divisions, except for net investments presented as a Group contribution):

In € millions	SNCF Infra	SNCF Proximités	SNCF Voyages	SNCF Geodis	Gares & Connexions	Common operations and investments	Inter-division eliminations	Group
Revenue	5,521	11,964	6,831	9,141	1,185	5,475	-7,884	32,232
Gross profit	318	655	782	337	244	468		2,804
Current operating profit	280	254	392	-118	115	77		1,000
Current operating profit after share of net profit of companies consolidated under the equity method	283	267	371	-117	115	90		1,009
Net investments	-149	-589	-627	-299	-131	-445		-2,240

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

2.1. SNCF INFRA DIVISION

SNCF INFRA	
PARENT COMPANY	**SUBSIDIARIES**
Rail network operation & management	
Engineering	Systra
Works and maintenance	SFERIS

The SNCF Infra division includes:
– delegated infrastructure management activities on behalf of Réseau Ferré de France (traffic management and network maintenance);
– rail infrastructure engineering (Systra).

In € millions	2013	2012 [1]	Change
Revenue	5,521	5,497	24
Gross profit	318	290	28
Gross profit/revenue	*5.8%*	*5.3%*	
Current operating profit	280	310	-31
Current operating profit after share of net profit of companies consolidated under the equity method	283	311	-28
Net investments	-149	-118	-31

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Highlights

— In 2013, SNCF Infra division prepared for the set-up of a Unified Infrastructure Manager by promoting closer relations between teams from the two public establishments, SNCF and RFF.

— On 19 June 2013, RFF and SNCF signed the network maintenance agreement for the current year.

— In 2013, the division reported steady growth, driven by the rail network modernisation programme and the connection work for the future high-speed lines (Sud-Europe-Atlantique, Bretagne-Pays-de-la-Loire and the Nîmes-Montpellier bypass). The long-term projects relating to the centralised network control and the accessibility development plan continued during the year. Numerous projects were completed in Ile-de-France, particularly in connection with the future western extension of the RER E line and the launch of the new offer on the northern section of the RER B line.

— At the year-end, SNCF Infra launched the Vigirail plan, focusing on the acceleration of the junction renovation programme as from 2014 and the roll-out of new network monitoring appliances.

— In order to carry out its industrial efficiency programme, the division continued to upgrade its production facilities via the acquisition of maintenance engines, high-powered locomotives or radio communication systems.

— In terms of accounting, impairment losses recorded since 2009 were reversed for €546 million due to favourable indices (see Note 1.2 Major events of the year).

2013 results

— Revenue

In 2013, SNCF Infra division revenue increased by €24 million (+0.4%), amounting to €5,521 million.

Adjusted for the transfer of the Building and Energy Agencies to the Gares & Connexions division as at 1 January 2013, activity rose by 4.2% (+€223 million).

This robust growth is mainly attributable to the development of rail network renovation operations, particularly in Ile-de-France, and the connection work for the future Sud-Europe-Atlantique and Bretagne-Pays-de-la-Loire high-speed lines.

— Gross profit

The increase in SNCF Infra gross profit (+€28 million) was directly attributable to the rise in infrastructure work carried out for RFF as well as cost-cutting measures, partially offset by the decrease in non-recurring impacts linked to relationships with RFF.

— Current operating profit

The €31 million decrease in current operating profit was impacted by the €60 million increase in depreciation and amortisation charges following the reversal of the impairment loss for SNCF Infra – Works and maintenance (see Note 1.2 Major events of the year).

— Net investments

Investments in 2013, up by €31 million compared to 2012, mainly involved the upgrading of production facilities (specifically traction engines).

2014 outlook

— Fiscal year 2014 will again be marked by significant business, with an increasing focus on the maintenance and renovation of the network's backbone lines, particularly Ile-de-France (signalling installation renovation programme at Paris-Saint-Lazare and Paris-Gare de Lyon stations).
In addition, the roll-out of GSM-R technology (GSM wireless rail communication standard) will generate substantial work on telecommunication installations.

— Major development projects will continue in Ile-de-France (Grand Paris, Tangentielle Nord, western extension of the RER E) and in the regions impacted by the connection work for the future Sud-Europe-Atlantique and Bretagne-Pays-de-la-Loire high-speed lines and the Nîmes-Montpellier bypass.

— In 2014, the division will implement its High Performance plan in Ile-de-France, designed to meet the specific expectations of Francilien customers with smoother network operations and a boost in its performance.

— Finally, 2014 will see the construction of SNCF Réseau, the new unique infrastructure manager, with the drafting of the Réseau 2020 corporate project, the finalisation of the target operating structures and methods and the preparation for the roll-out of the new entity's operations.

2.2.SNCF PROXIMITÉS DIVISION

SNCF PROXIMITÉS

PARENT COMPANY	SUBSIDIARIES
TER	Keolis
Transilien	
Intercités	

The SNCF Proximités division encompasses all the Group's local transport activities: medium distance links (Intercités), rail transport regulated services (TER, Transilien, and Keolis subsidiaries), bus, tramway and subway (Keolis) and complementary services relating to passenger transport.

In € millions	2013	2012 (1)	Change
Revenue	11,964	11,889	75
Gross profit	655	645	11
Gross profit/revenue	*5.5%*	*5.4%*	
Current operating profit	254	361	-107
Current operating profit after share of net profit of companies consolidated under the equity method	267	386	-119
Net investments	-589	-422	-166

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Highlights

Transilien

— Commissioning of the new Francilien electric railcar continued in 2013, with deployment in the Paris-Est and Paris-Saint-Lazare regions following Paris-Nord.

Intercités

— The second half of 2013 was marked by the signature of the amendment for the extension of the agreement binding Intercités with the French State for 2014 and the signing of an agreement for the renewal of rolling stock for this activity and the construction of new maintenance centres.

— In terms of sales policy, the Intercités activity continued to simplify its prices and launched a new catering offer and a free information service in real time for subscribers in the Greater Paris region.

TER

— Three TER agreements were renewed in 2013 regarding the Limousin, Franche-Comté and Picardie regions.

— During the first half of 2013, eight TER lines in eastern France were certified as NF Services, a quality approach that will improve client satisfaction.

Keolis

— United States:
– Keolis Transit America (KTA) was awarded a three-year contract for the transport of persons with reduced mobility in Fresno, California. A major contract for the State of California, the agreement will strengthen KTA's presence in the western US.
– KTA was also awarded the main contract lot for operation of the Las Vegas bus system (approximately 30 million passengers annually).

— Benelux: Keolis acquired two companies specialising in school bus transportation, Trimi and Autocars Saint-Christophe.

— Sweden: the contract with the city of Stockholm was renewed for a minimum term of eight years, and is renewable for four additional years. The aim is to increase the number of passengers by 20% through a network overhaul and a more efficient service operated by environmentally-friendly buses.

— China:
– The chairman of Keolis inaugurated the Group offices in Wuhan, capital of the province of Hubei. Keolis has positioned itself as a partner of this city, particularly in the area of transport intermodality and is involved in the design of the future terminal 3 intermodal hub of Wuhan Airport.
– A strategic cooperation agreement was signed with Shanghai Shentong Metro Group, in order to provide a joint response to calls for tender covering municipal subways, tramways and regional trains in China, Asia and internationally.

— France: seven contracts were renewed in 2013. They concern the operation of a portion of the Cars du Rhône intercity bus network, the management of public transport in Châtellerault, two public service delegation contracts for the Angers agglomeration (urban transit and on-demand transportation for persons with reduced mobility) and contracts for Montluçon, Saintes and the agglomeration of Grand Auch.

2013 results

— Revenue

Revenue for 2013 rose slightly by €75 million (+0.6%), compared to 2012.

The division's growth was driven by Keolis, whose business increased by €99 million (+2.4%), and TER, whose revenue rose by €45 million (+1.1%), despite a slight decline in traffic. However, the reduction in the offering and a sluggish market resulted in a substantial decrease in Intercités revenue (-€44 million or -3.9%).

— Gross profit

SNCF Proximités' gross profit increased by €11 million (+1.7%) between 2012 and 2013.

— Current operating profit

The division's current operating profit decreased by €107 million in line with:
– the increase in depreciation and amortisation charges following the commissioning of rolling stock by Transilien;
– a net charge to provisions of €51 million in 2013, compared to a net reversal of €44 million in 2012.

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

In 2013, current operating profit after share of net profit of companies consolidated under the equity method was impacted by a €12 million decline in the net profit of the Keolis UK companies.

— Net investments

Division investments rose sharply (+€166 million), mainly due to the €96 million increase in concession financial assets.

Furthermore, the impacts of the slowdown in the delivery rate of new Francilien trains and the postponement to 2014 of Régiolis and Regio2N rolling stock deliveries for TERs were more than offset by the ramp-up of the Intercités rolling stock renovation programme and the investments made by Keolis' international subsidiaries.

2014 outlook

Transilien

Fiscal year 2014 should be marked by new Francilien and Regio 2N rolling stock orders.

TER

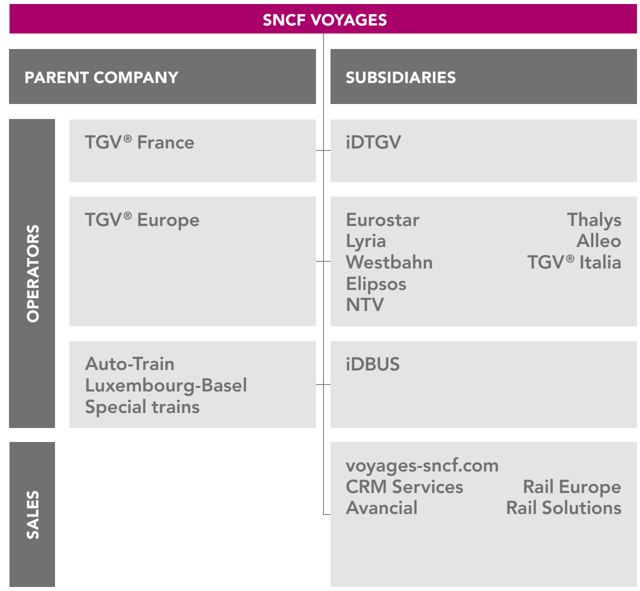
For TERs, the main challenges will concern:
– the new agreement with the Centre region that becomes effective in 2014 and two agreement extensions planned with the Haute-Normandie and Bretagne regions;
– changes to the transport plan in line with the opening of the Nantes-Châteaubriant tram-train in the spring of 2014, the reopening of the Alpin Sud line in Rhône-Alpes and the end of the Rail plan in Midi-Pyrénées;
– arrival of the first Régiolis and Regio 2N trains in the spring of 2014.

Keolis

— For Keolis, 2014 will be a pivotal year of international development based on organisational call for tenders in the US and the UK.

— At the start of the year, an initial success was recorded with the allocation on 8 January by the Massachusetts Bay Transportation Authority, the transport organising authority for the city of Boston, of the municipal rail services contract to Keolis Commuter Services, a subsidiary of SNCF-Keolis. This eight-year agreement will become effective on 1 July 2014.

2.3. SNCF VOYAGES DIVISION



The SNCF Voyages division includes:
— operator services through its TGV®, Special Trains and Auto-Trains and Europe (Eurostar, Thalys, Lyria, etc.) activities;

— supply of services related to the transportation of passengers: sales (with, among others, voyages-sncf.com) and train management.

In € millions	2013	2012 (1)	Change
Revenue	6,831	6,933	-102
Gross profit	782	876	-94
Gross profit/revenue	*11.4%*	*12.6%*	
Current operating profit	392	519	-127
Current operating profit after share of net profit of companies consolidated under the equity method	371	540	-169
Net investments	-627	-582	-45

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Highlights

— In 2013, the SNCF Voyages division developed its transport offering by proposing:
– a new service for Quimper and the south of Bretagne with iDTGV;
– new iDBus links between southern France and northern Italy;
– a new Eurostar link covering London and Lyon, Avignon and Aix-en-Provence;
– a "high-speed low fare" offering called Ouigo, for trips between Marne-la-Vallée and Marseille or Montpellier;
– a direct offering to Barcelona and Madrid following the commissioning of the high-speed line between Figueres and Barcelona.

— New services likely to compete against automobile and air transport were launched by iDTGV and specifically a "door-to-door" offering that provides a shuttle service to the station. Furthermore, following the renewal of the catering contract, a new TGV® catering offer was presented at the year-end.

— The division exercised its option for the acquisition of new TGV® Euroduplex trains. Delivery is scheduled between 2015 and 2019.

— During the year, SNCF Voyages sold its Findworks Technologies subsidiary (liligo.com); furthermore, it acquired Ecolutis (car pooling for businesses and local communities) and GreenCove (123envoiture.com), in order to create a single company present on all markets.

— Due to the deterioration in TGV® operating conditions, the Group recorded an impairment loss of €1,400 million for the TGV France and Europe CGU (excluding Eurostar) in the 2013 financial statements (see Note 1.3 Major events of the year).

2013 results

— Revenue

The division's revenue fell by €102 million (-1.5%), primarily due to a decline in TGV France traffic income, particularly for business clientele. This decrease was offset by the improvement in international TGVs in line with the opening of the Paris-Barcelona line and the growth of Lyria.

— Gross profit

Gross profit for the SNCF Voyages division decreased by €94 million, amounting to €782 million.

While there was a contraction in the activity, the increase in charges was significant overall, particularly those relating to infrastructure fees and station access.

— Current operating profit

The division's current operating profit declined by €127 million, standing at €392 million; the decrease in gross profit was amplified by the increase in net movements in provisions, from a net charge of €7 million as at 31 December 2012 to a net charge of €21 million as at 31 December 2013.

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

Current operating profit after share of net profit of companies consolidated under the equity method was impacted in 2013 by an impairment loss of €34 million.

— Net investments

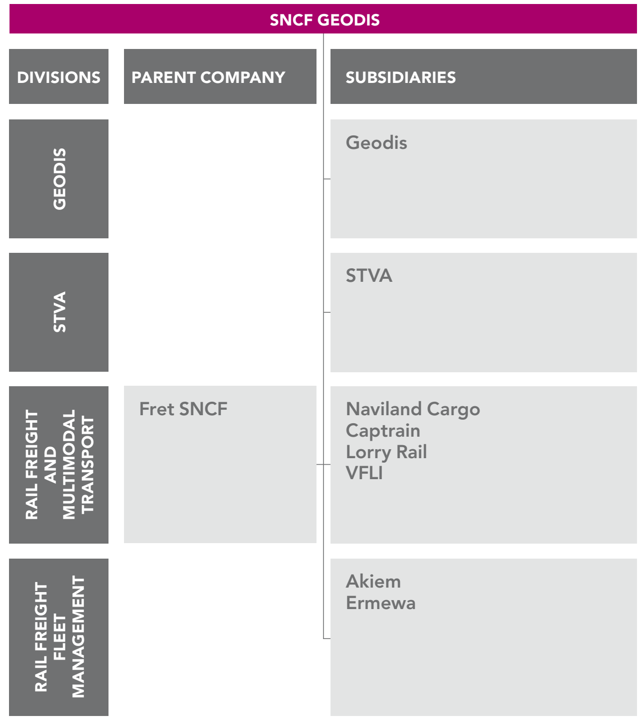
In 2013, the SNCF Voyages division's investments increased slightly compared to 2012 (+€45 million) and primarily comprised deliveries of TGV 2N2 trains.

2014 outlook

— The SNCF Voyages division's challenges for 2014 will consist in:
– proposing an additional segmented range of offers in order to promote customer satisfaction; to adapt to new market conditions, this involves boosting the percentage of low budget offers with Ouigo, iDTGV and Prem's rates;
– continuing the efforts undertaken to create a superior customer experience based on offers adapted to each specific requirement, a higher level of service quality and the guarantee of the basic essentials in terms of safety and operating excellence;
– managing multi-channel digital distribution and customer relations;
– affirming its role as leader in eco-mobility and door-to-door services.

— The division will pursue and consolidate its international development in its activities as both operator and distributor.

2.4. SNCF GEODIS DIVISION



The SNCF Geodis division includes a full range of transport and freight logistics businesses.

In € millions	2013	2012 (1)	Change
Revenue	9,141	9,410	-270
Gross profit	337	131	206
Gross profit/revenue	*3.7%*	*1.4%*	
Current operating profit	-118	-229	111
Current operating profit after share of net profit of companies consolidated under the equity method	-117	-230	113
Net investments	-299	-362	63

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Highlights

— SNCF Geodis' main commercial successes were as follows:
– a new partnership between Geodis Messagerie and Liebherr for the delivery of spare parts via the France Express network;
– a two-year agreement between Geodis Wilson and Delsey for the global management of the luggage manufacturer's logistics operations. Geodis will manage the transportation in Asia, provide logistics services ensuring a constantly available storage volume of more than 15,000 m3 and deliver full containers worldwide, particularly to France, the United States, Latin America, the Middle East and the Asia-Pacific region;
– a three-year agreement between Geodis Bourgey-Montreuil (BM) and Heineken France for the management of all its transport flows, thus confirming Geodis BM's position as a major player in the beverage industry in France;
– an agreement between VFLI and Lafarge for the supply of aggregates for work on the A1 motorway.

— Geodis and Coruscant joined forces for the installation and operation of two photovoltaic plants in France.

— Fret SNCF won a contract to transport track-mounted vehicles for Caterpillar as well as new business from Gefco, diverting the traffic from road to rail. Several other customers renewed their contracts, including Thevenin & Ducrot (petroleum products), Sitfa (transport of Toyota vehicles), Aperam (alloys) or Owens-Illinois (glass containers), Holcim (cement), Kronenbourg or Saint-Gobain.

— Transport Ferroviaire Holding (TFH) and the Spanish services group, Comsa Emte, signed an agreement giving TFH a stake in Comsa Rail Transport (CRT). At the same time, CRT, Comsa Emte and Fret SNCF signed a sales agreement to increase rail freight traffic between France, Central Europe and the entire Iberian peninsula.

2013 results

— Revenue

Revenue for 2013 declined by €270 million (-2.9%) compared to 2012 and was impacted by:
– a Group structure impact of +€16 million (the breakdown of Group structure changes is shown in Note 1.1),
– a foreign exchange impact of -€116 million.
On a constant Group structure and exchange rate basis, revenue declined by 1.8% (-€170 million). The decrease mainly concerns Geodis' Parcel Delivery division (-€113 million or -6.2%), Fret SNCF (-€56 million or -4.8%) and STVA (-€32 million or -9.0%).

— Gross profit

Gross profit rose by €206 million; on a constant Group structure and exchange rate basis, an increase by €197 million was primarily attributable to Fret SNCF (+€154 million). It should be noted that the gross profit of Fret SNCF had been impacted in 2012 by the recognition of a €61 million penalty, following an investigation by the Competition Authority.

— Current operating profit

Current operating profit rose by €111 million; the growth in operating margin (€206 million) was partly offset by the net movements in provisions (net charge of €111 million in 2013, compared to a net charge of €4 million in 2012).

— Net investments

The decrease in net investments in 2013 concerned the Geodis Parcel Delivery and Logistics divisions together with Fret SNCF (end of BB75000 diesel locomotive deliveries).

2014 outlook

— Fiscal year 2014 should be marked by an improvement in profitability in a context of steady volumes.

— The steady improvement in results recorded in the past four years by Fret SNCF will continue due to the adjustment of resources and the productivity gains obtained by the continued "Industrial Efficiency and Development" programme.

2.5. GARES & CONNEXIONS DIVISION

GARES & CONNEXIONS	
PARENT COMPANY	**SUBSIDIARIES**
Management and development of French train stations	AREP Group Group A2C

Created on 1 January 2010, the aim of this fifth division is to introduce innovative services into stations, while inventing new areas of mobility for towns and cities. The main subsidiaries included in this division are the AREP group (architecture and urban planning) and the A2C group (commercial enhancement of stations).

In € millions	2013	2012 (1)	Change
Revenue	1,185	969	216
Gross profit	244	183	61
Gross profit/revenue	*20.6%*	*18.9%*	
Current operating profit	115	55	60
Current operating profit after share of net profit of companies consolidated under the equity method	115	55	60
Net investments	-131	-139	8

(1) Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Highlights

— As at 1 January 2013, Building and Energy Agencies (ABE), previously attached to the SNCF Infra division, joined the Gares & Connexions division.

— The investments made by the division in 2013 mainly concerned the Montpellier-Saint-Roch, Toulon, Paris-Austerlitz, Cannes, Lille-Flandres, Paris-Saint-Lazare and Bordeaux-Saint-Jean stations as well as the continuation of programmes that are most often regulatory (accessibility, passenger information, asset management, video surveillance). Furthermore, there was a ramp-up in investments in Ile-de-France stations during the year.

2013 results

— Revenue

The division's revenue increased by €216 million (+22.3%). This rise was attributable to the transfer of €134 million from Building and Energy Agencies to the division; the remaining revenue growth was mainly attributable to the increase in station access charges paid by operators and the price of services rendered (basic services).

— Gross profit

Gross profit rose by €61 million between 2012 and 2013 and mainly focused on basic services.

— Current operating profit

The €60 million rise in current operating profit was mainly attributable to the increase in gross profit.

— Net investments
The volume of investments made by the Gares & Connexions division did not change significantly compared to the previous year.

2014 outlook

— Fiscal year 2014 will be marked by:
– the creation of a joint venture specialising in press distribution in stations;
– the selection of the property developer for the Paris-Montparnasse station;
– the strengthening of partnerships for the catering activity;
– the finalisation of calls for tender for automatic vending machines and vehicle rentals.

3. NET INVESTMENTS AND NET DEBT

3.1. NET INVESTMENTS

In € millions	2013	2012 [1]	Change	
Net investments	-2,240	-2,077	-163	+8%
Net disposals	331	398	-67	-17%
Investments net of disposals	**-1,909**	**-1,679**	**-230**	+14%

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Net investments rose by €163 million compared to 2012, mainly due to the €96 million increase in concession financial assets. Net investments totalled €2,240 million as at 31 December 2013.

Net disposals decreased by €67 million compared to 2012. Disposals for the year mainly involved property assets.

3.2. GROUP NET DEBT

In € millions	31/12/2013	31/12/2012 [1]	Change
Non-current debt	14,230	15,107	-877
Non-current receivables	-4,375	-4,294	-81
Non-current net debt	**9,855**	**10,813**	**-958**
Current debt	3,607	5,079	-1,472
Current receivables	-6,071	-8,371	2,300
Current net debt	**-2,464**	**-3,292**	**828**
Net debt	**7,391**	**7,521**	**-130**
Gearing (Net debt/Equity)	1.1	1.1	

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

Net debt amounted to €7.4 billion as at 31 December 2013, for a gearing (Net debt/Equity) of 1.1 (1.1 at the end of 2012). Net debt as a percentage of gross profit fell from 2.7% at the end of 2012 to 2.6% at the end of 2013.

The €0.1 billion decrease in net debt compared to 31 December 2012 breaks down as follows:

Opening net debt [1]	**7,521**
Cash from operations	-2,181
Net investments	2,240
Net disposals	-331
Transfer of concession financial assets	-141
Dividends received from companies consolidated under the equity method	-51
Net external growth	26
Change in operating WCR	42
Dividend paid to the French State	209
Change in fair value, amortised cost, translation difference	-121
Change in tax WCR	152
Other	25
Closing net debt	**7,391**

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

3.3. FINANCING SOURCES AND DEBT MANAGEMENT

Non-current debt and current debt decreased by €0.9 billion and €1.5 billion, respectively.

These changes were mainly due to:
– repayments of bonds for -€1.2 billion;
– decrease in cash liabilities for -€0.9 billion;
– decline in the fair value of bonds for -€0.3 billion.

Current receivables declined by €2.3 billion whereas non-current receivables rose by €0.1 billion, particularly due to:
– Public Debt Fund receivable payments for -€1.1 billion;
– RFF receivable payments for -€0.4 billion;
– decrease in asset derivatives for -€0.3 billion;
– cash decrease of -€0.2 billion;
– decrease in deposits and securities for -€0.1 billion.

The parent company is responsible for managing most of the Group's net debt and carried 93% of the Group's external debt at the year-end.

The SNCF Group's long-term debt is rated as follows by the main rating agencies:

	Long-term rating	Outlook	Report date
Standard & Poor's	AA-	Stable	12-Nov-13
Moody's	Aa2	Negative	27-Nov-13
Fitch Ratings	AA+	Stable	18-Dec-13

3.4. GROUP EXPOSURE TO MARKET RISKS

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

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

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

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

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

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND RATIOS

In € millions	31/12/2013	31/12/2012 [1]
Goodwill	1,354	1,363
Intangible assets	1,260	1,347
Property, plant and equipment	15,007	15,396
Non-current financial assets	5,461	5,243
Investments in companies consolidated under the equity method	1,058	1,059
Deferred tax assets	994	955
Non-current assets	**25,134**	**25,363**
Operating assets	8,511	8,639
Current financial assets	1,118	3,159
Cash and cash equivalents	5,060	5,291
Current assets	**14,689**	**17,088**
Assets classified as held for sale	1	22
TOTAL ASSETS	**39,823**	**42,474**
Share capital	4,971	4,971
Consolidated reserves	1,879	1,666
Net profit/(loss) for the year	-180	376
Equity attributable to equity holders of the parent	**6,670**	**7,012**
Non-controlling interests (minority interests)	99	104
Total equity	**6,769**	**7,117**
Non-current employee commitments	2,044	2,047
Non-current provisions	874	764
Non-current financial liabilities	14,235	15,107
Deferred tax liabilities	238	204
Non-current liabilities	**17,390**	**18,122**
Current employee commitments	180	149
Current provisions	264	216
Operating payables	11,613	11,768
Operating liabilities	**12,057**	**12,133**
Current financial liabilities	3,603	5,079
Current liabilities	**15,660**	**17,212**
Liabilities directly associated with assets classified as held for sale	4	24
TOTAL EQUITY AND LIABILITIES	**39,823**	**42,474**
Gearing (Net debt/Equity)	1.1	1.1
Net debt/Gross profit	2.6	2.7

[1] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.

The statement of financial position recorded the following changes in 2013:

– an €87 million decrease in net intangible assets primarily due to acquisitions, net of disposals, for +€172 million and depreciation, amortisation and impairment, net of reversals, for -€254 million;
– a €389 million decline in net property, plant and equipment primarily due to acquisitions, net of disposals, for +€2,207 million and depreciation, amortisation and impairment, net of reversals, for -€2,646 million. These were particularly impacted during the year by the reversal of impairment for SNCF Infrastructure – Works and maintenance and the impairment recorded for the TGV France and Europe CGU (excluding Eurostar) (see Notes 1.2 and 1.3 Major events of the year);
– the decline in equity attributable to equity holders of the parent, which mainly includes the dividend paid to the shareholding State (-€209 million) and the net loss for the period (-€180 million).

Movements in financial assets and liabilities are analysed in Note 3.3.

5. FINANCIAL RELATIONS WITH THE FRENCH STATE, RÉSEAU FERRÉ DE FRANCE AND LOCAL AUTHORITIES

SNCF receives:

– public service orders (as is the case with any public service agent or supplier to the French State and local authorities) in a monopoly legislative and regulatory framework,

– operating and investment grants primarily received for the activities of the SNCF Proximités division.

5.1. PUBLIC SERVICE ORDERS

The table below shows the Group revenue generated with RFF, Regions, STIF and the French State:

In € millions	**2013**	**2012**	**Change**
Compensation of IM by RFF	3,269	3,177	92
including traffic and circulation management	*864*	*876*	*-12*
including network and asset management	*2,405*	*2,301*	*104*
Work for RFF	1,905	1,782	123
Total RFF	**5,174**	**4,960**	**214**
Compensation for regional rates	473	452	21
Services for the Organising Authorities	3,833	3,816	17
Total Regions and STIF	**4,306**	**4,268**	**39**
Newspapers	3	4	-1
Socially-motivated prices	38	48	-10
Defence	162	173	-11
Trains d'Equilibre du Territoire (TET)	292	305	-13
Total French State	**495**	**530**	**-35**
TOTAL	**9,975**	**9,757**	**218**

The increase in the Infrastructure Manager's compensation stems from the renegotiation of the 2013 network maintenance agreement.

The increase in work for RFF (+€123 million) was primarily due to the rise in track and electrical safety installation renovations.

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

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

In € millions	2013	2012 [(1)]	Change
Operating grants	99	36	62
Payments received for concession financial assets [(2)]	645	495	150
Investment grants relating to intangible assets and PP&E	286	205	82
Total	**1,030**	**736**	**294**

[(1)] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.
[(2)] Of which €19 million relating to the Trains d'Equilibre du Territoire agreement (€9 million in 2012).

Payments received for concession financial assets and investment grants received

SNCF receives investment grants in the form of third-party financing, primarily from local authorities, for rolling stock.

In accordance with IFRIC 12, grants received as part of a concession are presented in the statement of financial position as a deduction from the intangible assets or financial assets, according to the applicable model, following the analysis of each concession agreement. With regard to concession financial assets, the grants received are considered as a means of reimbursing such assets.

In other cases, investment grants received are deducted from intangible assets and property, plant and equipment in the statement of financial position. In the income statement, they are recorded in operating profit or loss (as a deduction from depreciation and amortisation) according to the estimated economic life of the corresponding assets.

6. EMPLOYEE MATTERS

6.1. AVERAGE WORKFORCE

	31/12/2013	31/12/2012 [(1)]		Change	Change on a constant Group structure basis and excluding internal transfers [(2)]	
SNCF Infra division	51,143	52,025	-1.7%	-882	+1.2%	643
SNCF Proximités division	67,360	63,911	+5.4%	3,449	+2.0%	1,262
including Keolis Group	*48,665*	*47,517*	*+2.4%*	*1,148*	*+1.4%*	*681*
SNCF Voyages division	24,764	25,666	-3.5%	-903	-0.8%	-217
SNCF Geodis division	45,543	46,984	-3.1%	-1,441	-3.4%	-1,592
including Geodis Group	*31,255*	*31,424*	*-0.5%*	*-169*	*-1.7%*	*-519*
Gares & Connexions	3,303	1,682	+96.4%	1,622	+4.3%	72
Common operations and investments	52,457	53,687	-2.3%	-1,230	-0.3%	-180
TOTAL	**244,570**	**243,954**	**+0.3%**	**616**	**-0.0%**	**-12**

[(1)] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.
[(2)] Main impacts of changes in Group structure:
– SNCF Proximités division: takeover of Syntus (+356) and acquisition of Trimi (+96).
– SNCF Geodis division: acquisitions of Sernam businesses (+167) and MF Cargo (+60), takeover of Avirail (+130), disposal of Novatrans (-210).

Note the transfer of Building and Energy Agencies from SNCF Infra to Gares & Connexions (around 1,550 employees).

The main changes on a constant Group structure basis and excluding internal transfers were as follows:
– SNCF Infra's workforce increased due to the network modernisation and development work.
– The increase in SNCF Proximités' workforce was primarily due to the growth of Keolis, particularly in the United States.
– The reduction in SNCF Geodis' workforce was attributable to the decline in activity observed in 2013 for this division.

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

	2013	2012 [(1)]	2011	2010	2009	2008
Parent company [(2)]	155,371	156,110	156,047	157,894	161,771	163,485
Subsidiaries	89,200	87,844	89,043	83,084	38,326	37,854
TOTAL	**244,570**	**243,954**	**245,090**	**240,978**	**200,097**	**201,339**

[(1)] Adjusted for the changes described in Note 1.3 to the annual consolidated financial statements.
[(2)] Including seconded employees.

6.2. MAIN AGREEMENTS SIGNED IN 2013

Four collective agreements, three of which involving additional social security coverage, were signed by the SNCF parent company with representative trade union organisations:
— collective agreement replacing the corporate agreement of 14 November 2005 on the maintenance of wages signed on 6 November 2013,

— collective agreement setting up a "death and disability" benefit scheme for SNCF parent company employees covered by the general social security scheme signed on 6 November 2013,

— collective agreement setting up a "healthcare cost" reimbursement scheme for SNCF parent company employees covered by the general social security scheme signed on 6 November 2013,

— agreement on the mandate terms of employee representatives, and members of the Works Council and Central Works Council elected at the March 2014 vote, signed on 8 November 2013.

7. CHALLENGES AND OUTLOOK

Following the sluggish activity in 2013, the 2014 forecasts are framed within an economic environment showing signs of a slight turnaround, but hindered by tight restrictions:
— increasingly restrained public financing (from the transport Organising Authorities);

— higher taxation, with a hike in VAT on passenger transportation from 7% to 10% and an increase in corporate income tax from 36.1% to 38.0%;

— an historically +4.8% higher rate indexation for rail infrastructure fees.

Thus, the 2014 forecasts anticipate a stagnation in freight transport volumes and a moderate increase in passenger rail traffic, and even a slight decline (-0.3%) for SNCF Voyages. The SNCF financial objectives for 2014 are nevertheless in line with the first-year financial trajectory of the Excellence 2020 strategic project:
— revenue growth of more than +2.0%, mainly due to the ramp-up in business expected from SNCF Infra and Keolis, driven by international expansion with major calls for tender in the UK, Australia and North America;

— an intended rise in the gross profit of SNCF Geodis and Keolis in order to offset the problems expected for SNCF Voyages, whose business is hindered by reduced traffic and rising infrastructure fees;

— a selective policy of significant investments amounting to €2.3 billion, in order to guarantee service quality, particularly with the acquisition and renovation of rolling stock and the refurbishment of stations in Ile-de-France;

— a break-even free cash flow and a controlled level of debt.

The company's performance plans must be continually implemented in order to achieve the 2014 objectives: additional gross profit of between €350 and €400 million, of which nearly two-thirds generated from overheads.

CORPORATE SOCIAL RESPONSIBILITY

The CSR section offers a first look at available non-financial information. The full CSR report, in accordance with the Grenelle 2 law application decree (Articles 225 and 226), will be published in May 2014.

1. SNCF AND CSR - 4 CHALLENGES AND 12 COMMITMENTS

The SNCF Group's CSR policy focuses on 4 challenges, covering all aspects of CSR:
– A customer challenge: delivering sustainable mobility for everyone,
– An environmental challenge: reducing our environmental impact,
– An employee challenge: modernising our social responsibility policy,
– A community challenge: contributing to regional development.

It relies on the human resources policy for transversal issues, and division policies for mobility, the management of the environmental impact and the organisation of everyone for social initiatives contributing to regional development.

Training courses covering the SNCF CSR policy, and more generally sustainable development issues, have been offered by the SNCF University since 2011 in order to pass on the keys to building a CSR policy to managers at their entity level. Training courses on environmental topics are offered to production site environmental managers.

The 4 challenges of the Group's CSR policy break down into 12 commitments, which are mostly subject to quantified objectives and performance indicators managed using the Sustainable Development Information System.

Customer challenge: delivering sustainable mobility for everyone

Commitment 1 - Guarantee passenger safety
Commitment 2 - Improve customer satisfaction
Commitment 3 - Develop door-to-door transport for passengers and freight
Commitment 4 - Promote new low impact mobilities

Environment challenge: reducing our environmental impact

commitment 5 - Promote widespread use of environmental management tools
Commitment 6 - Save energy, reduce greenhouse gas emissions
Commitment 7 - Develop a circular economy and work to reduce all our impacts

Employee challenge: modernising our social responsibility policy

commitment 8 - Promote diversity
Commitment 9 - Improve quality of life in the workplace
Commitment 10 – Increase employability

Community challenge: contributing to regional development

commitment 11 - Provide support to those in difficulty
Commitment 12 – Contribute to the local economy

2. CUSTOMER CHALLENGE: DELIVERING SUSTAINABLE MOBILITY FOR EVERYONE

To meet the high expectations of its stakeholders, two of the three priorities defined in the Excellence 2020 corporate plan are directly covered by this challenge:
– satisfy ten million daily customers,
– promote widespread door-to-door solutions and customised travel.

COMMITMENT 1 — Guarantee passenger safety

Guarantee transport safety
After the Brétigny disaster, the SNCF Chairman reiterated that safety is of the utmost importance for the Group. Immediately after the incident, 5,000 parts similar to that which caused the derailment were checked. For the 2014-2017 period, SNCF and RFF launched the €410 million Vigirail programme, designed to enhance track monitoring and modernise rail network maintenance. The renovation of switching equipment must be accelerated, with 500 appliances changed each year instead of 300.

Safeguard trains and stations
To remove insecurity felt by certain passengers and reduce risks, SNCF trains and deploys security personnel and equips areas with video surveillance. SNCF also implements prevention policies, with campaigns against anti-social behaviour, mediation in trains and stations and interventions in schools. In the most sensitive areas, SNCF will continue its involvement with young people in order to prevent the risk of accidents and encourage proper conduct in transports. Each year, 450 voluntary agents promote awareness among more than 220,000 primary, secondary and grammar school pupils. Finally, the teaching resources used to promote awareness on social responsibility and safety in transports, adapted to school curriculums, were revised and put on line in January 2014.

COMMITMENT 2
— Improve customer satisfaction

Improve punctuality and information during disruptions for daily passengers
To streamline rail traffic and accommodate its growth, major work was undertaken on the network. Innovations in operating methods and the joint creation of solutions with our customers were also launched. The "haut débit" (high traffic) plan was launched in high density zones for operations in the Ile-de-France region and major agglomerations.

Objective: increase the level of customer satisfaction for daily trains to that of the TGV (2020) within 7 years.

Changes in indicators (SNCF parent company)

Art.225		2011	2012	2013
I-3°-b)	Points difference between the % of satisfied TGV and Transilien customers (excluding disruptions)	-	13.3	15

TGV customer satisfaction is stable. Transilien customers suffered from a sharp decline in punctuality in the closing weeks of 2013. Punctuality is the main criteria for satisfaction, thus explaining the 2013/2012 decline and the widening gap between the two populations.

Promote affordable prices
With the crisis, many have borne the brunt of the impact on purchasing power and local finances. Today, 8 million people suffer from fuel poverty and a lack of mobility (more than 15% of their budget for heating and petrol). The SNCF Chairman aims to simplify prices, allow for comparisons and make the train a more affordable option. SNCF Voyages has already adopted a voluntary low budget policy, mainly through the OUIGO, IDTGV and Prem's offers.

Objective: SNCF Voyages aims to double this offering by 2020, from 15% to 30% of available seats.

Changes in indicators (SNCF parent company)

Art.225		2011	2012	2013
I-3°-a)	% of TGV tickets under €30	-	-	15%

Promote physical accessibility for all passengers
To satisfy the requirements of French law stipulating that all public buildings must be accessible and take into account the ageing population, SNCF has rolled-out a station and train accessibility programme.

Objective: ensure physical accessibility through a programme of renovations in stations and trains by 2015 and develop extra services for persons with disabilities.

COMMITMENT 3
— Develop door-to-door transport for passengers and freight

One of the three objectives of the SNCF 2020 strategy is to expand door-to-door solutions. Current offers will become more widespread and developed over the next two years (combination of modes and operators, multimodal information, bicycle and car sharing, car pooling for passengers, global multimodal solutions for freight). Passenger mobility packages will be tested in 2014 and rolled out over three years. The first release of a unified application combining all passenger information applications will be available in 2014 and will gradually become the door-to-door application incorporating all service and mobility applications.

Objective: door-to-door solutions accessible to all passengers by 2020.

COMMITMENT 4
— Promote new low impact mobilities

For passengers
A certain number of initiatives have been undertaken in order promote new vehicle uses (car sharing, etc.) or technological innovations, such as the use of electrical vehicles in addition to the train.

For freight
Businesses are increasingly concerned about the carbon footprint left by their products. Accordingly, the choice of transportation is now a decisive factor. SNCF is the first rail operator in Europe to systematically estimate, for all its shipper customers, the CO2 emissions generated by their traffic. Greenhouse gas emissions are being reduced on several fronts, by absorbing road traffic flows and decongesting road infrastructures, developing multimodal solutions and reducing "last kilometre" impacts. This has resulted in the development of new freight offers such as long trains or a revamped single wagon load system, and a new urban freight transport service, Distripolis.

Objective: Through the use of rail motorways, prevent more than 1 million tonnes of CO_2 from being discharged into the atmosphere by 2020.

Changes in indicators (SNCF parent company)

Art.225		2011	2012	2013
I-2°-d)	Through the use of rail motorways, tonnes of CO_2 not discharged (in thousands)	-	50	59

In 2013, two rail motorways, the Alpine Rail Motorway (Aiton - Orbassano) and Lorry Rail (Le Boulou - Bettembourg) reduced CO_2 emissions by 59,000 tonnes, or 10%. This improvement was attributable to a greater number of trains and a higher train load factor.

3. ENVIRONMENT CHALLENGE: REDUCING OUR ENVIRONMENTAL IMPACT

For around fifteen years now, SNCF has implemented a policy to reduce its environmental impact, by managing its risks and safeguarding its installations. A network of environment specialists has gradually formed within the Group's divisions, support functions, regions and major companies.

COMMITMENT 5
— Promote widespread use of environmental management tools

Management tools are the key to understanding, measuring and improving environmental performance. As regulations tighten, environmental management is being stepped up at SNCF by expanding ISO 14001 certification efforts and deploying Environmental Management Systems.

Objective: promote widespread use of environmental management tools to reduce impacts and comply with regulations while managing environmental risk (100% of companies equipped with an EMS by end of 2015).

Changes in indicators (SNCF parent company):

Art.225		2011	2012	2013
I-2°-a)	% of Companies/Sites equipped with an Environmental Management System (ISO 14001 certified or with an adapted EMS)	23%	27%	36%

As a result of a long process, all industrial companies are certified. The increase from 27% to 36% was primarily due to the roll-out of adapted EMS at SNCF Infra and in Fret divisions which are production entities, excluding industrial companies, and have the highest environmental impact. Passenger companies should become much more involved in the approach in 2014.

COMMITMENT 6
— Save energy, reduce greenhouse gas emissions

As part of its 2020 action plan and in line with its environmental commitments, SNCF is investing to save energy, secure its energy supply and reduce greenhouse gas (GHG) emissions. This approach is based on research and innovation and on the optimisation of the energy used by trains and in the Group's many buildings.

Objectives:
– reduce energy consumption for traction by 15% and for the use of buildings by 20% within 10 years;
– reduce by 30% GHG emissions for passenger rail traffic between 1990 and 2020 and by 40% for freight.

Changes in indicators (SNCF parent company):

Art.225		2011	2012	2013
I-2°-d)	Rail traction CO2 emissions (thermal and electrical energy – in thousands of tonnes)	919	882	879
I-2°-c)	Total energy consumption for train traction (thousands of TOE)	821	797	794

Energy consumption, and therefore greenhouse gas emissions, are stable, reflecting a climatic impact (harsher winter), offset by a slight decline in traffic.

COMMITMENT 7
— Develop a circular economy and work to reduce all our impacts

SNCF reduces its impacts in all business segments and sectors to the benefit of both the environment and the company's overall performance.

By complying with regulations and strengthening the Group's environmental performance in protecting resources (circular economy) and reducing noise and air, water and ground pollution, the Group aims to make its business development more acceptable.

Objectives:
– reduce the quantity of phytosanitary products used on tracks by 50% between 2010 and 2018;
– generate income of €400 million from the sale of end-of-life components between 2013 and 2017.

Changes in indicators (SNCF parent company and RFF):

Art.225		2011	2012	2013
I-2°-b)	Sales of end-of-life components (in € millions)	55.6	52.6	43.6

The sharp decline in sales was attributable to a substantial fall in raw material prices, even though oil reserves remained stable. It should also be noted that the reuse of infrastructure products was not developed.

4. EMPLOYEE CHALLENGE: MODERNISING OUR SOCIAL RESPONSIBILITY POLICY

Modernising the social responsibility policy is a priority for SNCF. Numerous agreements have been entered into with social partners in the past two years. The Group must now extend its efforts in promoting workplace gender equality and recruiting and maintaining people with disabilities in work. Managerial attitudes continue to be modernised through the "quality of life in the workplace" initiative launched in 2009. Closer management of employee well-being and working relations in general should be set up through training. These genuine efforts were recently rewarded: on 14 February 2013, SNCF was named "Top Employer 2013."

COMMITMENT 8
— Promote diversity

The Group signed the Diversity Charter in 2006 with 11 subsidiaries in 2011 (of which Keolis) and undertakes to hire young people, confirmed or retrained seniors, workers with disabilities, and professionals of various backgrounds. The Group is committed to gender equality based on the Equality Label, for which there are multiple applications: encouraging diversity in recruitment and fighting against discrimination, not only at the employment stage but also during training or in career advancement.

Objectives:
– hire 500 people with disabilities between 2012 and 2015;
– hire women pro rata to employment applications.

Changes in indicators (SNCF parent company):

Art.225		2011	2012	2013
I-1°-f)	Total number of employees with disabilities	5,321	5,688	5,987

COMMITMENT 9
— Improve quality of life in the workplace

Since 2011, SNCF has considered improving the quality of life in the workplace as a driver for global sustainable business performance. Its commitment has continued in 2014: for managers, quality of life in the workplace is one of the keys to successful business transformations.
The priorities are as follows:
– Improve the quality of life in the workplace (arduousness, working conditions, prevention of accidents and reduction of irritants)
– Improve working relations within teams (recognition, trust) to involve agents and develop their customer strategy
– Give meaning to work
– Develop transversal relations between divisions and sectors
– Promote priority management (learn again how to use e-mails)
– Simplify procedures

Objective: improve employee performance and satisfaction for the benefit of company's overall performance.

COMMITMENT 10
— Increase employability

For SNCF, modernising the social responsibility policy requires management and anticipation of difficulties and opportunities relating to career advancement. To overcome these challenges, training is organised to enable employees to stay in tune with changes in professions and techniques and market trends. In this demanding context, SNCF is therefore careful to assess, train and finally prepare employee career paths, and always with a Group approach.

The new training agreement aims to:
– Reduce by 20% and within 3 years the number of agents over 50 who have not had training in the last 3 years
– Offer very long-term individual training leave
– Train young people through work/study contracts

5. COMMUNITY CHALLENGE: CONTRIBUTING TO REGIONAL DEVELOPMENT

As both an employer and buyer, SNCF has a pivotal role in helping the most vulnerable people within the scope of its activities, and developing the regions where the company operates.

COMMITMENT 11
— Provide support to those in difficulty

Through subsidised employment schemes, the company encourages the reintegration of the long-term unemployed, persons with disabilities or unqualified young people, in partnership with specialised associations.

Solidarity purchases from suppliers employing persons in back-to-work programmes or with disabilities also helps vulnerable people return to long-term employment.

Specific schemes have been set up to look after vagrants in and around stations. SNCF is working with other rail networks in Europe to create new solutions to combat vagrancy (European programmes Hope in station and Work in station).

The return on investment, both for society in general and for the company acting as integrator, is assessed.

Objective: generate solidarity purchases of €50 million per year (persons with disabilities and in back-to-work programmes) by 2017.

Changes in indicators (SNCF parent company):

Art.225		2011	2012	2013
I-3°-c)	Amount of solidarity purchases (€ millions)	25	26	32

In 2013, solidarity purchases increased substantially based on three components, i.e. sheltered-sector purchases (€12 million), social integration clauses for suppliers (€9 million) and direct integration (€11 million).

COMMITMENT 12
— Contribute to the local economy

In partnership with local communities and public companies, SNCF has invested in the creation of multi-service mediation information points (PIMMS), hired young people under the Emplois d'Avenir employment scheme and encouraged entrepreneurship with SNCF Développement.

SNCF Développement is a subsidiary, which provides economic backing to projects and entrepreneurship in underprivileged regions. SNCF also supports the professional integration of young people from disadvantaged neighbourhoods with numerous initiatives such as the Equal opportunity week.

SNCF is a major business partner to regions through its purchases, generating nearly 100,000 indirect jobs. SNCF today supplies work to 20,000 SMEs. To boost the local economy, a desk specialising in SMEs was set up to facilitate their involvement with SNCF's purchases.

CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

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

— Seven representatives of the French State appointed by decree, based on the report of the Transport Minister:
– two at the recommendation of the Transport Minister;
– one at the recommendation of the Minister for Economy and Finance;
– one at the recommendation of the Budget Minister;
– one at the recommendation of the Minister for Planning and Regional Development;
– one at the recommendation of the Minister for Industry;
– the Chairman of the Board appointed from among the directors and at their recommendation by a Council of Ministers' decree.

— Five members chosen for their expertise and appointed by decree:
– a representative of passengers;
– a representative of shippers;
– two local councillors chosen for their knowledge of regional, department and local rail-related matters;
– an individual chosen for his/her personal expertise in the transport sector.

— Six members, including a management representative, elected by employees of the Company and its subsidiaries having a minimum workforce of 200 members.

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

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

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

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

The Board Secretary and the Secretary of the Joint Labour-Management Committee also have a seat on the Board.

The Board of Directors holds at least ten meetings annually.

The Board of Directors now has six committees:

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

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

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

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

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

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

2. MANAGEMENT TEAM

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

02—
SNCF GROUP CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013

Normes IFRS. In € millions
2, place aux Etoiles – CS 70001 – 93633 La Plaine ST Denis Cedex

CONSOLIDATED INCOME STATEMENT

In € millions	Notes	31/12/2013	31/12/2012 [1]
Revenue	4	32,232	32,225
Purchases and external charges	5	-15,619	-15,662
Employee benefits expense	6	-13,063	-12,825
Taxes and duties other than income tax		-1,117	-1,157
Other operating income and expenses		371	166
Gross profit		**2,804**	**2,748**
Depreciation and amortisation	7	-1,553	-1,449
Net movements in provisions		-250	82
Current operating profit		**1,000**	**1,382**
Net proceeds from asset disposals	9	180	207
Fair value remeasurement of the previously held interest		-1	3
Impairment losses	8	-886	-451
Operating profit/(loss)		**294**	**1,140**
Share of net profit of companies consolidated under the equity method	16	9	54
Operating profit/(loss) after share of net profit of companies consolidated under the equity method		**303**	**1,194**
Net borrowing and other costs	10	-221	-310
Finance costs of employee benefits	21	-78	-140
Finance costs		**-299**	**-450**
Net profit/(loss) before tax from ordinary activities		**4**	**744**
Income tax expense	11	-166	-346
Net profit/(loss) from ordinary activities		**-162**	**399**
Net profit/(loss) from discontinued operations	27	0	0
Net profit/(loss) for the year		**-162**	**398**
Net profit/(loss) for the year attributable to equity holders of the parent		**-180**	**376**
Net profit for the year attributable to non-controlling interests (minority interests)		17	22

[1] Adjusted for changes described in Note 1.3.

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

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € millions	Notes	31/12/2013	31/12/2012 (1)
Net profit/(loss) for the year		**-162**	**398**
Other comprehensive income:			
Change in foreign currency translation		-30	-7
Tax on change in foreign currency translation		-1	0
		-30	**-6**
Change in value of available-for-sale assets	25	-2	-3
Tax on change in value of available-for-sale assets		1	0
		-1	**-3**
Change in fair value of cash flow hedges	25	54	-57
Tax on change in fair value of cash flow hedges		0	1
		54	**-56**
Share of recyclable other comprehensive income of companies consolidated under the equity method		-3	12
Total recyclable other comprehensive income		**19**	**-54**
Actuarial gains and losses arising from employee defined benefit plans		28	-262
Tax on actuarial gains and losses arising from defined benefit plans		-2	11
		26	**-250**
Share of non-recyclable other comprehensive income of companies consolidated under the equity method		10	-3
Total non-recyclable other comprehensive income		**36**	**-253**
Total comprehensive income for the period		**-107**	**92**
Total comprehensive income attributable to equity holders of the parent		**-126**	**71**
Total comprehensive income attributable to non-controlling interests (minority interests)		19	21

(1) Adjusted for changes described in Note 1.3.

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED ASSETS

In € millions	Notes	31/12/2013	31/12/2012 [1]	01/01/2012 [1]
Goodwill	12	1,354	1,363	1,648
Intangible assets	13	1,260	1,347	1,354
Property, plant and equipment	14	15,007	15,396	16,147
Non-current financial assets	15	5,461	5,243	6,244
Investments in companies consolidated under the equity method	16	1,058	1,059	1,024
Deferred tax assets	11	994	955	1,092
Non-current assets		**25,134**	**25,363**	**27,508**
Inventories and work-in-progress	17	1,018	990	898
Operating receivables	18	7,493	7,649	6,604
Operating assets		8,511	8,639	7,502
Current financial assets	15	1,118	3,159	2,741
Cash and cash equivalents	19	5,060	5,291	3,692
Current assets		**14,689**	**17,088**	**13,935**
Assets classified as held for sale	27	1	22	1
Total assets		**39,823**	**42,474**	**41,444**

CONSOLIDATED EQUITY AND LIABILITIES

In € millions	Notes	31/12/2013	31/12/2012 [1]	01/01/2012 [1]
Share capital	20	4,971	4,971	4,971
Consolidated reserves		1,879	1,666	1,852
Net profit/(loss) for the year attributable to equity holders of the parent		-180	376	125
Equity attributable to equity holders of the parent		**6,670**	**7,012**	**6,948**
Non-controlling interests (minority interests)	20	99	104	54
Total equity		**6,769**	**7,117**	**7,003**
Non-current employee benefits	21	2,044	2,047	1,698
Non-current provisions	22	874	764	866
Non-current financial liabilities	23 to 25	14,235	15,107	15,385
Deferred tax liabilities	11	238	204	426
Non-current liabilities		**17,390**	**18,122**	**18,376**
Current employee benefits	21	180	149	139
Current provisions	22	264	216	214
Operating payables	26	11,613	11,768	10,304
Operating liabilities		12,057	**12,133**	**10,656**
Current financial liabilities	23 to 25	3,603	5,079	5,405
Current liabilities		**15,660**	**17,212**	**16,062**
Liabilities associated with assets classified as held for sale	27	4	24	4
Total equity and liabilities		**39,823**	**42,474**	**41,444**

[1] Adjusted for changes described in Note 1.3. In accordance with IAS 1 "Presentation of financial statements," a third column is posted on the opening date of the comparative financial year presented when there are significant changes in accounting methods.

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € millions	Share capital	Non-recyclable reserves	Group translation reserves	Cash flow hedges	Available-for-sale assets	Reserves of discontinued operations	Retained earnings and other	Equity attributable to equity holders of the parent	Non-controlling interests (minority interests)	Total equity
Equity published as at 31/12/2011	**4,971**	**0**	**78**	**-84**	**7**	**-13**	**2,027**	**6,988**	**68**	**7,057**
Impact of changes in accounting method	-	-17	-62	37	0	-	-2	-40	-15	-56
Equity restated as at 01/01/2012	**4,971**	**-17**	**16**	**-47**	**8**	**-13**	**2,026**	**6 948**	**54**	**7,003**
Net profit/(loss) for the year	-	-	-	-	-	-	383	383	24	407
Other comprehensive income	0	-	6	-59	-3	-	2	-53	0	-53
Total comprehensive income	**0**	**-**	**6**	**-59**	**-3**	**-**	**385**	**329**	**24**	**353**
Dividends paid	-	-	-	-	-	-	-199	-199	-	-199
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-35	-35
Capital transactions	-	-	-	-	-	-	0	0	3	3
Changes of ownership in subsidiaries without loss of control		-	-1	-	-	-	194	193	63	256
Other changes	0	-	0	0	0	-	0	0	0	0
Equity published as at 31/12/2012	**4,971**	**0**	**83**	**-143**	**4**	**-13**	**2,407**	**7,310**	**124**	**7,434**
Impact of changes in accounting method	-	-270	-74	38	0	-	12	-297	-19	-318
Equity restated as at 01/01/2013	**4,971**	**-270**	**8**	**-106**	**4**	**-13**	**2,418**	**7,012**	**104**	**7,116**
Net profit/(loss) for the year	-	-	-	-	-	0	-180	-180	17	-163
Other comprehensive income	0	32	-27	52	-1	-	-3	54	1	56
Total comprehensive income	**0**	**32**	**-27**	**52**	**-1**	**0**	**-182**	**-126**	**18**	**-107**
Dividends paid	-	-	-	-	-	-	-209	-209	-	-209
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-28	-28
Capital transactions	-	-	-	-	-	-	0	0	1	1
Changes of ownership in subsidiaries without loss of control		-	-	-	-	-	-5	-6	4	-2
Other changes	0	0	-1	0	0	-	-1	0	0	0
Equity published as at 31/12/2013	**4,971**	**-237**	**-20**	**-54**	**3**	**-13**	**2,022**	**6,670**	**99**	**6,769**

A dividend for 2011 was approved and paid to the State in April 2012 for €199 million. A dividend for 2012 was approved and paid to the State in May 2013 for €209 million.

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements.

The impacts of changes in accounting method are described in Note 1.3.

CONSOLIDATED CASH FLOW STATEMENT

In € millions	Notes	31/12/2013	31/12/2012 (1)
Net profit/(loss) for the year		**-162**	**398**
Eliminations of:			
share of profit of associates	IS	-9	-54
deferred tax expense (income)	IS	-5	-76
depreciation, amortisation and provisions		2,604	1,804
revaluation gains/losses (fair value)		-79	7
net proceeds from disposals and gains and losses on dilution	IS	-168	-227
Other non-cash income and expenses		0	0
Cash from operations after net borrowing costs and taxes		**2,181**	**1,852**
Eliminations:			
corporate income tax expense (income)		171	422
net borrowing costs		317	296
dividend income		-9	-9
Cash from operations before net borrowing costs and taxes		**2,660**	**2,562**
Impact of change in working capital requirement		-42	-293
Taxes paid		-324	-327
Dividends received		62	40
Net cash from operating activities		**2,355**	**1,982**
Acquisitions of subsidiaries net of cash acquired		-13	-3
Disposals of subsidiaries net of cash transferred		0	20
Purchases of intangible assets and property, plant and equipment	14	-2,241	-2,136
Disposals of intangible assets and property, plant and equipment		331	398
New concession financial assets		-870	-624
Purchases of financial assets		645	495
Disposals of financial assets		-16	-23
Changes in loans and advances		143	948
Changes in cash assets		127	-7
Investment grants received		-12	59
Purchases of financial assets		286	205

In € millions	Notes	31/12/2013	31/12/2012 [1]
Net cash used in investing activities		**-1,619**	**-669**
Cash form equity transactions	Chg. in eq.	1	-221
Issue of debt instruments		607	1 128
Repayments of borrowings and the RFF receivable [2]		-300	-1 087
Net borrowing costs paid		-319	-280
Dividends paid to Group shareholders	Chg. in eq.	-209	-199
Dividend paid to minority interests	Chg. in eq.	-27	-35
Increase/(decrease) in cash borrowings		-868	1 056
Change in derivative instruments		0	3
Net cash from/used in financing activities		**-1,116**	**365**
Effects of exchange rate changes		-7	1
Impact of changes in accounting policies		1	0
Impact of changes in fair value		-1	-1
Increase (decrease) in cash and cash equivalents		**-387**	**1 677**
Opening cash and cash equivalents	19	5,131	3,454
Closing cash and cash equivalents	19	4,744	5,131

[1] Adjusted for changes described in Note 1.3.
[2] Of which €418 million cash inflows for the RFF receivable (€209 million in 2012) and €1,132 million for the CDP receivable (€972 million in 2012).

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The notes presented on pages 36 to 107 are an integral part of these consolidated financial statements. All amounts are in millions of euros (€ millions), unless stated otherwise.

1. ACCOUNTING STANDARDS BASE

Pursuant to Article L2141-10 of the French Transport Code of 28 October 2010, which supersedes Article 25 of the French Orientation Law on Domestic Transport (LOTI) of 30 December 1982, the Société Nationale des Chemins de fer Français (SNCF), a state-owned industrial and commercial institution "is subject to the financial management and accounting rules applicable to commercial companies." SNCF keeps its accounting books and records in accordance with prevailing legislation and regulations in France.

The consolidated financial statements for the year ended 31 December 2013 were approved by the Board of Directors on 13 February 2014.

The terms "SNCF Group," the "Group" and "SNCF" designate the SNCF parent company EPIC and its consolidated subsidiaries. The State-owned institution (EPIC) SNCF, "SNCF EPIC" and "the SNCF" refer solely to the parent company.

1.1. ACCOUNTING RULES AND METHODS

Pursuant to European Regulation 1606/2002 of 19 July 2002, the consolidated financial statements of SNCF Group for the year ended 31 December 2013 have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union as at this date. The IFRS framework as adopted in the European Union may be consulted on the European Commission website: (http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

1.1.1. Presentation of standards and interpretations applied in the preparation of the 2013 consolidated financial statements

The basis of preparation for the 2013 consolidated financial statements detailed in the following notes is the result of:
— standards and interpretations of mandatory application for financial years commencing on or before 1 January 2013, as described in Note 2 to the accounting policies;

— standards of mandatory application for financial years commencing after 1 January 2013 and adopted in advance by the SNCF Group; these standards are described in Note 1.1.1.2;

— elected accounting options and exemptions applied in the preparation of the 2013 consolidated financial statements. The options and exemptions are described in Note 1.1.2.

1.1.1.1. Standards and interpretations published by the IASB whose application is mandatory for financial periods commencing on or after 1 January 2013

The amendments to standards and interpretations and new published standards applicable as of 1 January 2013 which, in particular, have an impact on the Group consolidated financial statements are as follows:

— IAS 1 "Presentation of financial statements" amended for the section relating to the presentation of other comprehensive income. The amendments published on 16 June 2011 were adopted by the European Commission on 6 June 2012 and are applicable to financial periods commencing on or after 1 July 2012, i.e. financial year 2013 for the SNCF Group. The amendments call for the separate presentation of items recorded in recyclable reserves and those recorded in non-recyclable reserves. Likewise, the tax amounts relating to these items should be presented separately depending on whether they concern recyclable reserves or non-recyclable reserves. The adoption of these amendments led the Group to review the presentation of other comprehensive income by featuring two reserve categories depending on whether they are recyclable or non-recyclable and linking the corresponding tax impacts to each type of item recognised in these reserves. Furthermore, the Group added a column for non-recyclable reserves in the consolidated statement of changes in equity. Excluding these presentation impacts, amended IAS 1 had no impacts on the consolidated financial statements.

— IAS 1 "Presentation of financial statements" amended for the section relating to comparative information. In May 2012, as part of its annual improvement process, the IASB clarified the provisions relating to comparative information. These improvements were adopted by the European Union on 28 March 2013 and are applicable to financial years beginning on or after 1 January 2013, i.e. financial year 2013 for the Group. The clarification consists in improving the distinction between the comparative information voluntarily provided by entities and the minimum IFRS comparative information requirements. It has no impact on the consolidated financial statements, as the Group complies with the minimum comparative information requirements. Furthermore, the amendment specifies that it is not necessary to break down in the notes the third balance sheet presented on the opening date of the comparative financial year presented when there are significant changes in accounting methods.

— IAS 19 "Employee benefits" amended by the IASB in June 2011 and adopted by the European Commission in June 2012. Among the amendments is the elimination of both the corridor method for the recognition of actuarial gains or losses arising from defined benefit plans and the amortisation of past service costs. Actuarial gains and losses recognised for defined benefit plans are now immediately recorded in other comprehensive income which may not be reclassified over the period. In the event the plan is amended, past service costs are recorded for their full amount in profit or loss, regardless of whether the benefits are definitively vested or not. The amended standard also modifies the method used to determine the expected rate of return on plan assets and calls for a certain number of additional disclosures in the notes regarding defined benefit plans. The standard is set to be effective for annual periods beginning on or after 1 January 2013 as determined by the IASB. The impacts are presented in Note 1.3.

— IAS 32 "Financial instruments – presentation" amended for the section relating to the tax effect on distribution to holders of equity instruments. In May 2012, as part of its annual improvement process, the IASB specified that reference should be made to IAS 12 "Income taxes" and not IAS 32 when recognising the tax effect on distribution to holders of equity instruments. Like other annual improvements, this clarification was adopted by the European Union on 28 March 2013 and is applicable to financial years beginning on or after 1 January 2013, i.e. financial year 2013 for the Group. It particularly concerns the additional 3% corporate income tax contribution on dividends that the SNCF must pay its shareholder, the French State, pursuant to the 2012 Amending Finance Act. The impacts of this contribution are immaterial and were recorded under the "Income tax expense" heading in the consolidated income statement.

— IFRS 13 "Fair value measurement" published in May 2011 by the IASB and adopted on 29 December 2012 by the European Commission. The standard defines the notion of fair value, explains how to measure it and stipulates disclosures in the financial statements. Without introducing new measurement techniques, it applies, with a few specific exceptions, to other current standards which already provide for fair value measurements. IFRS 13 is applicable to financial periods beginning on or after 1 January 2013, i.e. financial year 2013 for the SNCF Group. It did not have a major impact on the consolidated financial statements.

— IFRS 7 "Financial instruments: disclosures" amended for the section relating to the offsetting of financial assets and liabilities and adopted on 29 December 2012 by the European Commission. The amendment requires that additional information be disclosed on the Group's exposure through counterparties to the measurement of derivatives and collateral deposits. This information is presented in Note 25.

1.1.1.2. Standards and interpretations adopted in advance for the preparation of the 2013 consolidated financial statements

The Group decided to adopt in advance the "consolidation package" comprising IFRS 10, 11, 12 and IAS 27 and 28 revised. It was published on 12 May 2011 by the IASB and adopted by the European Commission on 29 December 2012. The standard was set to be effective for annual periods beginning on or after 1 January 2013 as determined by the IASB. This date was deferred to 1 January 2014 by the European Commission with the possibility of early adoption. In June 2012, the IASB published the transitional methods for the implementation of these standards which were approved by the European Union on 5 April 2013. Among the standards presented below, IFRS 11 has the most significant impact on the Group's consolidated financial statements, as major entities that were proportionately consolidated are now consolidated under the equity method. The impacts are presented in Note 1.3.

— IFRS 10 "Consolidated financial statements" supersedes IAS 27 on control and consolidated financial statements as well as SIC 12 "Consolidation - Special Purpose Entities." It redefines the notion of control based on three criteria: power, exposure to variability of returns and the link between power and these returns. The scope of fully consolidated entities is defined based on this standard.

— IFRS 11 "Joint arrangements" supersedes IAS 31 on the recognition of interests in entities under joint control. Investments in joint ventures, within the meaning of the new standard, i.e. which solely give rights to the net assets of an entity, can no longer be proportionately consolidated but should be equity-accounted. Investments in joint operations, whereby the partners have joint control of the arrangement and direct rights to the entity's assets, as well as direct obligations for its liabilities, are recognised for the share of assets, liabilities, revenue and expenses controlled by each partner.

— IFRS 12 "Disclosure of interests in other entities" defines the information to be disclosed in the financial statements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Pursuant to this standard, information was modified and/or added in Notes 16, 20, 28 and 29.

— IAS 27 revised only covers the recognition of interests and disclosures on such interests in separate financial statements. It does not apply to the SNCF Group's consolidated financial statements.

— IAS 28 revised defines the notion of significant influence and describes the equity accounting method applicable to investments in associates and joint ventures within the meaning of IFRS 11.

1.1.1.3. Standards and interpretations not adopted in advance for the preparation of the 2013 consolidated financial statements

The Group has generally not opted for the early application of the standards and interpretations applicable to financial periods commencing on or after 31 December 2013, regardless of whether they were adopted by the European Commission. In particular, the Group did not adopt the following standards for its 2013 consolidated financial statements:

— IAS 32 "Financial instruments: presentation" amended for the section relating to the offsetting of financial assets and financial liabilities. The implementation guidance for this standard was updated with two cumulative criteria for the offsetting of a financial asset and a financial liability: the legal right to offset and the intention for an entity to settle an asset and liability by offsetting. The amendments published in December 2011 by the IASB were adopted by the European Commission on 29 December 2012 and are applicable to financial periods beginning on or after 1 January 2014, i.e. financial year 2014 for the Group. The impacts are currently being analysed.

— IFRS 9 "Financial instruments" revised in November 2009 by the IASB, the adoption of which is currently postponed by the European Commission. The final purpose of the revised standard is to replace the current IAS 39 on financial instruments. The three topics covered are the classification and measurement of financial instruments, a methodology for the impairment of financial assets and hedge accounting.

The mandatory effective date initially set by the IASB for financial periods beginning on or after 1 January 2015 was eliminated without any indication of a new date. The impacts are currently being analysed.

IFRIC 21 "Levies" published by the IASB on 20 May 2013 but not yet adopted by the European Commission. This interpretation covers the recognition of levies not falling under IAS 12 "Income taxes." Its purpose is to clarify the obligating event that gives rise to the recognition of a liability to pay a levy. It does not cover the question of the liability offset. It applies retrospectively to annual periods beginning on or after 1 January 2014, i.e. financial year 2014 for the SNCF Group, unless the effective date is deferred by the European Commission. The impacts are currently being analysed.

1.1.2. Description of accounting options adopted

1.1.2.1. IFRS accounting options adopted by the Group

Certain IASB standards offer options with respect to the measurement and recognition of assets and liabilities.
The Group therefore opted to:
— measure intangible assets and property, plant and equipment at amortised/depreciated historical cost and did not elect to revalue these assets at each period-end;

— present government grants relating to assets as a deduction of subsidised assets and not in liabilities in deferred income (operating payables).

1.1.2.2. Accounting positions adopted by SNCF Group, pursuant to paragraphs 10 to 12 of IAS 8 "Accounting methods, changes in accounting estimates and errors"

The accounting positions presented below are not (or only partially) covered by specific provisions of international accounting standards (or their interpretations) as adopted by the European Union. SNCF Group has established, to the best of its knowledge, accounting policies reflecting the substance of the transactions concerned.

— Non-controlling interests (minority interests) purchase commitments:
IAS 27 revised, "Consolidated and separate financial statements", and IAS 32, "Financial instruments: presentation", as they currently stand, lead the Group to record firm and conditional non-controlling interest purchase commitments as a financial liability with an offsetting reduction in non-controlling interests. Where the commitment value exceeds the amount of non-controlling interests, the residual balance is deducted from equity. The fair value of non-controlling interest purchase commitments is revalued at each balance sheet date and the corresponding financial liability is offset in equity.

— Individual Training Entitlement (Droit Individuel à la Formation-DIF):
In the absence of precise IFRS guidance in the matter, the Group continues to maintain under IFRS the French GAAP treatment of the individual training entitlement (CNC emergency committee notice 2004-F of 13 October 2004). Expenditure incurred in respect of the Individual Training Entitlement is expensed for the period and no provision is recorded.

1.1.2.3. Accounting positions adopted by SNCF Group for certain tax regulations applicable in France

— Contribution Economique Territoriale (CET) and Cotisation sur la Valeur Ajoutée des Entreprises (CVAE):
The 2010 Finance Act adopted in December 2009, introduced the Territorial Economic Contribution (Contribution Économique Territoriale or CET) to replace the local business tax (Taxe Professionnelle). The CET has two components: the Cotisation Foncière des Entreprises (CFE), assessed on the rental value of buildings, and the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE), computed on the basis of the added value generated by the company. The local business tax cap based on added value has been maintained and is applied to the sum of the CFE and the CVAE. The cap has been reduced from 3.5% to 3%.
As the CET is similar to the business tax (property-based, cap based on the added value), the Group believes that at this stage, the components form an indivisible whole and that the contribution should be subject to a single accounting treatment. Consequently, the CET will be accounted for as an operating expense, as was the case with the previous business tax.

— Contribution de Solidarité Territoriale (CST) introduced by Article 65 of the 2011 Finance Act:
The Territorial Solidarity Tax (Contribution de Solidarité Territoriale – CST) is based on total revenue, net of State contributions compensating reduced and regulated fares, collected on the year-end due date of the tax on non-regulated passenger rail transport services and commercial services date. Taking into account its base, this tax is recorded under "Taxes and duties other than income tax" in Gross profit. Its impact is negative by €90 million for fiscal year 2013 and €135 million for fiscal year 2012.

— Tax on rail company profits (TREF) introduced by Article 65 of the 2011 Finance Act:
The tax on rail company profits (Taxe sur le Résultat des Entreprises Ferroviaires – TREF) is based on corporate taxable income, before the allocation of tax loss carry-forwards, with respect to the last year closed before the tax due date. The tax was capped at €200 million as from 1 January 2013 after an initial cap of €75 million in 2010 and €155 million in 2011. Taking into account its base, this tax is recorded under "Income tax expense." It had a negative impact of €200 million on "Net profit/(loss) from ordinary activities" for fiscal year 2013 (€200 million for 2012).

— Competitiveness and Employment Tax Credit (CICE) introduced by the Amending Finance Act of 2012 (no. 2012-1510) dated 29 December 2012:
The Competitiveness and Employment Tax Credit (CICE) was created in order to help companies finance their competitiveness, particularly through investing, research, innovation, recruitment, new market prospection, environmental and energy transition and working capital restoration measures. It is based on compensation not exceeding two and a half times the minimum growth salary that companies pay their employees during the calendar year. For 2013, the tax credit amounted to 4% of this compensation and will be increased to 6% for forthcoming years.

The CICE is offset against the corporate income tax payable for the year in which the compensation used for the tax credit calculation was paid. The amount receivable from the French State corresponding to the amount not offset may therefore be used to pay the tax payable in the three years following the year in which the credit is recorded. At the end of this period, the non-offset portion is paid back to the company.

Considering that the CICE is used to finance expenditure in favour of competitiveness and its calculation and payment methods do not satisfy the definition of corporate income tax pursuant to IAS 12, it was analysed in substance by the Group as a government grant within the scope of IAS 20. Insofar as the CICE is used by the Group to finance expenditure relating to working capital, it corresponds more specifically to an operating grant, the accounting impacts of which are recorded under "Other operating income and expenses" in the consolidated income statement.

1.2. ACCOUNTING ESTIMATES

In preparing the Group accounts, management must make estimates, as numerous items included in the consolidated financial statements cannot be valued precisely. The accounting estimates used for the 31 December 2013 financial statements were prepared under the current context of uncertainty regarding business outlooks. Management is required to revise its estimates in the event of a change in the circumstances on which they are based or as a result of new information or further experience. As such, the estimates adopted as at 31 December 2013 may be materially modified and subsequent actual results may differ materially from these estimates based on different assumptions or conditions.

These estimates and assumptions primarily concern:

— Determination of goodwill:
Business combinations are accounted for using fair value estimates of the assets acquired and liabilities assumed and previously held equity investments in a step acquisition are remeasured at fair value. Goodwill is the difference between the acquisition price plus the value of the previously held equity investments and the fair value of the acquired assets and liabilities.

— Impairment of non-financial assets:
The Group performs impairment tests at least once a year on goodwill balances and intangible assets with an indefinite life. In addition, the Group assesses at each balance sheet date whether there is any indication that a non-financial asset may have lost value, necessitating the performance of a test. These tests seek, in part, to determine a value in use or a market value less costs to sell. Value in use calculations are based on management estimates of expected future cash flows from the asset or cash-generating unit (CGU), the appropriate discount rate to be used to calculate the present value of these future cash flows and the growth rate adopted. Market value calculations are based on an assessment by management of the transaction price that could be obtained for the sale of the assets tested, taking into account the current condition of such assets.
The approach adopted for the Freight business, the methods used for impairment testing and the impacts on profit or loss are presented in Note 8.

— Employee-benefit related items:
Considering that these benefits are settled several years after the personnel has rendered the corresponding services, the obligations under defined benefit plans and other long-term liabilities are recognized using actuarial valuations based on financial and demographic assumptions covering discount, inflation, and salary increase rates and mortality tables. Due to the long-term nature of these plans, changes in these assumptions can generate actuarial gains and losses and may lead to significant changes in in the commitments recorded.

— Income tax expense and deferred tax assets charge:
A deferred tax asset is recognised when it is probable that the Group will generate future taxable profits against which unused tax savings may be offset. The Group's ability to recover these tax assets is analysed based on its business plan, contingencies relating to the economy and the uncertainties surrounding markets in which the Group is active. Deferred tax assets are adjusted upward or downward should there be any material change in future Group tax results, the adjustment being offset in the income statement.

— Provisions for environmental risks
The Group records a provision for environmental risks when there exists a legal or implicit obligation towards a third party that can be reliably measured and which would result in an outflow of resources. Amounts recorded for site decontamination are based on the best possible estimate resulting from year-end assessments and take into account valuations for known risks currently being assessed (see Note 2.15). Amounts recorded for the removal of asbestos from rolling stock correspond to the estimated costs at the end of the equipment life. These costs are determined based on the prices currently invoiced by scrap metal dealers and asbestos removers, which do not include the cost of removing the vehicle in question or the scrap sale price.

— Derivative instruments
The Group uses assumptions to measure the fair value of its derivative instruments. The recognition and measurement principles are described in Note 2.15.

1.3. AMENDMENTS TO THE FINANCIAL YEAR AND COMPARATIVE FINANCIAL YEARS

The reconciliations between restated comparative data and data published for the consolidated statements of income, other comprehensive income, financial position and cash flows, as well as the off-balance sheet commitments are presented in Note 1.3.3 below.

The impacts shown in the "Consolidation package impact" column mainly arose from the adoption of IFRS 11.

1.3.1. Early adoption of the "consolidation package" comprising IFRS 10, 11, 12 and IAS 27 and 28 revised.

The Group complied with the transitional measures for the early adoption of the "consolidation package" (see Note 1.1.1.2). Hence, with regard to IFRS 10, the comparative financial years were only restated when the qualification of control was amended as at 1 January 2013. Regarding IFRS 11, the transition from proportionate consolidation to equity accounting was taken into account retrospectively to 1 January 2012.

The adoption of the new standards had the following impacts on the consolidated financial statements.

1.3.1.1. Impacts on the Group structure

With the exception of Geodis Overseas Tunisie and Société du Parc Lyon Diderot which are fully consolidated, all entities initially proportionately consolidated within the Group structure are now consolidated under the equity method, as they satisfy the definition of a joint arrangement under IFRS 11. This change is the main impact resulting from the adoption of the consolidation package for the consolidated financial statements as presented in Note 1.3.3 below.

Certain fully consolidated entities are now consolidated under the equity method, as their system of governance no longer satisfies the definition of control as stipulated under IFRS 10. Based on the Group structure published as at 31 December 2012, this change involves SNCF Geodis entities (Transwaters, NEB, Froidcombi). The impact on the consolidated financial statements is immaterial.

The provisions of the new standards do not challenge the interpretation which led to the non-consolidation of companies that were formerly unconsolidated and remain excluded from the Group structure (see Note 2.1).

1.3.1.2. Impacts on the financial statements

The contributions of fully or proportionately consolidated entities which are now consolidated under the equity method are removed from the various line items in the statement of financial position, income statement, statement of comprehensive income and the consolidated cash flow statement and aggregated in single line items respectively called "Investments in companies consolidated under the equity method", "Share of net profit of companies consolidated under the equity method", "Share of other comprehensive income of companies consolidated under the equity method" (by distinguishing between the portion relating to recyclable and non-recyclable reserves) and "Dividends received."

As a result, inter-company transactions with no profit or loss impact carried out with these entities are no longer eliminated for the preparation of the consolidated financial statements. Thus, the removal of these entities' contributions from the various line items in the Group's financial statements is offset by the presentation in the same line items of the amounts for the transactions carried out by the Group with these entities. The impact arising from inter-company transactions does not, however, have any impact on the analytical balances in the income statement.

1.3.1.3. Impacts on financial statement presentation and segment indicators

To continue monitoring in the Group's operating indicators the performance of these entities which extend the Group's activity, the financial statements and segment indicators were adapted as follows:

— In the income statement, the line item "share of net profit of associates" is now called "share of net profit of companies consolidated under the equity method." It includes the share of net profit of entities over which the Group exercises significant influence or joint control. In terms of classification, it is allocated between operating profit and a new sub-total "Operating profit after share of net profit of companies consolidated under the equity method." The income and expenses of companies that were formerly fully or proportionately consolidated but are now consolidated under the equity method are aggregated in this single line item and no longer feature in operating margin, current operating profit or operating profit.

— A new indicator called "Current operating profit after share of net profit of companies consolidated under the equity method" is presented in the management report analysis by division and in segment reporting (see Note 4). It is equal to the sum of current operating profit and the share of net profit of companies consolidated under the equity method. Operating profit after the share of net profit of companies consolidated under the equity method is also presented in segment reporting.

— The dividends received from equity consolidated entities are recorded under cash flows from operating activities in the consolidated cash flow statement, pursuant to the free classification option under IAS 7. As it now mainly includes dividends from entities which extend the Group's activity, it was deemed more relevant to classify this aggregate under cash flows from operating activities and no longer under cash flows used in investing activities.

1.3.2. Adoption of IAS 19 revised on employee benefits

This standard is of mandatory application for financial years beginning on or after 1 January 2013. Pursuant to the transitional measures, the SNCF Group adopted the revised standard retrospectively to 1 January 2012 in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors." The main policy changes impacting the consolidated financial statements involve post-employment benefits (defined benefit plans) and are listed as follows:

— The corridor method, which until now permitted the deferred recognition in profit or loss of actuarial gains or losses arising from defined benefit plans, is eliminated:
– Actuarial gains and losses generated over the period must now be recognised immediately and fully offset against other comprehensive income.
– In accordance with the principles set forth in IAS 1, these actuarial gains and losses are classified in the statement of comprehensive income as other comprehensive income that will never be reclassified in profit or loss in subsequent years.

— The straight-line amortisation of past service cost relating to benefits not definitively vested on the plan amendment date is also eliminated. Any impact arising from a plan amendment or curtailment is fully recognised immediately in the profit or loss for the period.

— The expected return rate on plan assets is replaced by the obligation discount rate. The "implicit return on plan assets" supersedes the previous item "expected return on plan assets."

As the adoption of the standard is retrospective, the impacts were determined as from the opening date of financial year 2012, i.e. 1 January 2012. As a result of the first-time adoption of the standard, the opening statement of financial position as at 1 January 2012 was restated as follows:

— Actuarial gains and losses and past service cost not recognised as at 31 December 2011 were added back to the employee obligations recorded in the statement of financial position and offset against equity.

— Hence, the sum of current and non-current employee obligations recognised as at 1 January 2012 is now equal to the present value of the net obligation calculated as at 31 December 2011 (present value of the obligation less the fair value of plan assets, where applicable).

The impact on the opening balance sheet restatement as at 1 January 2012 totalled €33 million, resulting in an increase in the provision recognised as at 31 December 2011 and offset against equity (before a deferred tax impact of €11.5 million):

— €31.7 million for unrecognised actuarial gains and losses.
— €1.5 million for unrecognised past service cost.

Post-employment benefits represented €1,336 million out of the total provision of €1,831 million published as at 31 December 2011. Considering the published available pension assets of €12 million after the ceiling effect, the net liability recognised for post-employment benefits totalled €1,325 million as at 31 December 2011. Following the adoption of IAS 19 revised, this amount rose to €1,358 million in the financial statements restated as at 1 January 2012.

The restatements made between the published financial statements for the year ended 31 December 2012 and financial statements restated as at 1 January 2013 are presented below. Post-employment benefits represented €1,336 million out of the total provision of €1,925 million published as at 31 December 2012. Considering the published available pension assets after the ceiling effect of €14 million, the net liability recognised for post-employment benefits totalled €1,323 million as at 31 December 2012. Following the adoption of IAS 19 revised, this amount rose to €1,630 million in the financial statements restated as at 1 January 2013:

	Published financial statements	**Opening balance sheet restatements**	**Restated financial statements**
In € millions	**31/12/2012**	**01/01/2013**	**01/01/2013**
Present value of the defined benefit obligation	1,784	0	1,784
Fair value of the plan assets	-154	0	-154
Funded status of the plans	**1,630**	**0**	**1,630**
Actuarial gains and losses not recognised at the balance sheet date	-306	306	0
Past service cost not recognised at the balance sheet Date	-1	1	0
Net liability (asset) at the balance sheet date	**1,323**	**307**	**1,630**
Available assets after the asset ceiling effect	13	-13	
Provision for post-employment benefits	**1,336**	**294**	**1,630**
Net profit/loss (before tax impact)	-105	-10	-114
Of which attributable to equity holders of the parent		*-8*	
Of which non-controlling interests		*-2*	
Operating profit/loss	**-64**	**0**	**-64**
Of which past service cost amortised over the period	*0*	*0*	*0*
Financial profit/loss	**-40**	**-10**	**-50**
Of which interest costs	*-71*		*-71*
Of which actuarial gains and losses amortised over the period	*1*	*-1*	*0*
Of which expected return on plan assets	*29*	*-9*	*21*
Non-recyclable other comprehensive income	0	-296	-296
Of which attributable to equity holders of the parent		*-287*	*-287*
Of which non-controlling interests		*-9*	*-9*
Add-back of actuarial gains and losses not recognised as at 31/12/2011		*-32*	*-32*
Actuarial gains and losses generated in financial year 2012		*-273*	*-273*
Adjustment of return on plan assets		*9*	*9*
Other consolidated reserves	0	-1	-1
Add-back of past service cost not recognised as at 31/12/2011		*-1*	*-1*
Impacts on equity (before tax impact)	**-105**	**-307**	**-411**
Of which attributable to equity holders of the parent		*-296*	
Of which non-controlling interests		*-11*	
Tax impact on equity		**25**	**25**
Of which attributable to equity holders of the parent		*22*	*22*
Of which non-controlling interests		*3*	*3*

1.3.3. Reconciliation between data published as at 31 December 2012 and restated comparative data

1.3.3.1 Consolidated income statement and statement of comprehensive income

In € millions	31/12/2012 published financial statements	IAS 19 Revised impact	Consolidation package impact	31/12/2012 restated financial statements
Revenue	33,820	0	-1,596	32,225
Purchases and external charges	-16,787	0	1,125	-15,662
Employee benefits expense	-13,160	0	335	-12,825
Taxes and duties other than income tax	-1,161	0	5	-1,157
Other operating income and expenses	167	0	0	166
Gross profit	**2,880**	**0**	**-131**	**2,748**
Depreciation and amortisation	-1,503	0	54	-1,449
Net movements in provisions	82	0	0	82
Current operating profit	**1,458**	**0**	**-77**	**1,382**
Total net proceeds from asset disposals	206	0	1	207
Fair value remeasurement of the previously held investment	3	0	0	3
Impairment losses	-470	0	19	-451
Operating profit	**1,196**	**0**	**-56**	**1,140**
Share of net profit of companies consolidated under the equity method		0	54	54
Operating profit after share of net profit of companies consolidated under the equity method		**0**	**1,194**	**1,194**
Net borrowing and other costs	-308	0	-2	-310
Finance costs of employee benefits	-131	-10	1	-140
Finance costs	**-439**	**-10**	**-1**	**-450**
Net profit before tax from ordinary activities	**757**	**-9**	**-3**	**744**
Share of profit of associates	-12	0	12	
Income tax expense	-338	1	-9	-346
Net profit from ordinary activities	**407**	**-8**	**0**	**399**
Net profit from discontinued operations	0	0	0	0
Net profit for the year	**407**	**-8**	**0**	**398**
Net profit for the year attributable to equity holders of the parent company	**383**	**-7**	**0**	**376**
Net profit for the year attributable to non-controlling interests (minority interests)	24	-1	0	22

In € millions	Published financial statements	IAS 1 Amended Impact	IAS 19 Revised Impact	Consolidation package Impact	Restated financial statements
Net profit for the year	**407**		**-8**		**398**
Other comprehensive income:					
Change in foreign currency translation	6			-12	-7
Tax on change in foreign currency translation				0	0
	6	**0**		**-12**	**-6**
Change in value of available-for-sale assets	-3			0	-3
Tax on change in value of available-for-sale assets		0		0	0
	-3	**0**		**0**	**-3**
Change in fair value of cash flow hedges	-71			15	-57
Tax on change in fair value of cash flow hedges		12		-11	1
	-71	**12**		**3**	**-56**
Share of other comprehensive income of companies consolidated under the equity method	3			8	12
Total recyclable other comprehensive income	**-66**	**12**	**0**	**0**	**-54**
Actuarial gains and losses arising from employee defined benefit plans			-258	-3	-262
Tax on actuarial gains and losses arising from defined benefit plans			6	6	11
	0	**0**	**-253**	**3**	**-250**
Share of other comprehensive income of companies consolidated under the equity method				-3	-3
Total non-recyclable other comprehensive income	**0**	**0**	**-253**	**0**	**-253**
Tax on other comprehensive income	12	-12			0
Total comprehensive income for the period	**353**	**0**	**-261**	**0**	**92**
Total comprehensive income attributable to equity holders of the parent	**329**		**-257**		**71**
Total comprehensive income attributable to non-controlling interests (minority interests)	24		-4		18

1.3.3.2 Statement of financial position as at 1 January 2012

In € millions	31/12/2011 published financial statements	IAS 19 Revised impact	Consolidation package impact	01/01/2012 restated financial statements
Goodwill	1,672	0	-24	1,648
Intangible assets	1,416	0	-62	1,354
Property, plant and equipment	16,658	0	-511	16,147
Non-current financial assets	6,265	-11	-10	6,244
Investments in companies accounted for under the equity method	498	0	526	1,024
Deferred tax assets	1,112	5	-26	1,092
Non-current assets	**27,621**	**-6**	**-107**	**27,508**
Inventories and work-in-progress	907	0	-9	898
Operating receivables	6,837	0	-233	6,604
Operating assets	**7,744**	**0**	**-242**	**7,502**
Current financial assets	2,793	0	-52	2,741
Cash and cash equivalents	3,902	0	-211	3,692
Current assets	**14,440**	**0**	**-505**	**13,935**
Assets classified as held for sale	1	0	0	1
Total assets	**42,062**	**-6**	**-612**	**41,444**

In € millions	31/12/2011 published financial statements	IAS 19 Revised impact	Consolidation package impact	31/12/2012 restated financial statements
Share capital	4,971	0	0	4,971
Consolidated reserves	1,893	-18	-23	1 852
Net profit for the year	125	0	0	125
Equity attributable to equity holders of the parent	**6,989**	**-18**	**-23**	**6,948**
Non-controlling interests (minority interests)	69	-4	-11	54
Total equity	**7,058**	**-22**	**-34**	**7,003**
Non-current employee benefits	1,695	10	-7	1,698
Non-current provisions	867	0	0	866
Non-current financial liabilities	15,521	0	-136	15,385
Deferred tax liabilities	437	-6	-5	426
Non-current liabilities	**18,519**	**4**	**-147**	**18,376**
Current employee benefits	136	12	-9	139
Current provisions	215	0	-1	214
Operating payables	10,711	0	-407	10,304
Operating liabilities	**11,062**	**12**	**-417**	**10,656**
Current financial liabilities	5,418	0	-13	5,405
Current liabilities	**16,480**	**12**	**-430**	**16,062**
Liabilities directly associated with assets classified as held for sale	4	0	0	4
Total equity and liabilities	**42,062**	**-6**	**-612**	**41,444**

The impact on Group equity shown in the "Consolidation package impact" column is attributable to the adoption as at 1 January 2012 of IAS 28 Revised and corresponds to the cancellation of remeasured retained interest which had been recorded when joint ventures became associates.

1.3.3.3 Statement of financial position as at 31 December 2012

In € millions	31/12/2012 published financial statements	IAS 19 Revised impact	Consolidation package impact	31/12/2012 restated financial statements
Goodwill	1,369	0	-6	1,363
Intangible assets	1,415	0	-68	1,347
Property, plant and equipment	15,896	0	-500	15,396
Non-current financial assets	5,268	-13	-11	5,243
Investments in companies consolidated under the equity method	489	0	570	1,059
Deferred tax assets	1,009	9	-63	955
Non-current assets	**25,445**	**-4**	**-78**	**25,363**
Inventories and work-in-progress	1,000	0	-10	990
Operating receivables	7,820	0	-171	7,649
Operating assets	**8,820**	**0**	**-181**	**8,639**
Current financial assets	3,182	0	-23	3,159
Cash and cash equivalents	5,627	0	-337	5,291
Current assets	**17,629**	**0**	**-541**	**17,088**
Assets classified as held for sale	22	0	0	22
Total assets	**43,097**	**-4**	**-618**	**42,474**

In € millions	31/12/2012 published financial statements	IAS 19 Revised impact	Consolidation package impact	31/12/2012 restated financial statements
Share capital	4,971	0	0	4,971
Consolidated reserves	1,956	-268	-23	1,666
Net profit for the year	383	-7	0	376
Equity attributable to equity holders of the parent	**7,310**	**-274**	**-23**	**7,012**
Non-controlling interests (minority interests)	124	-8	-11	104
Total equity	**7,433**	**-282**	**-34**	**7,117**
Non-current employee benefits	1,777	290	-20	2,047
Non-current provisions	763	0	0	764
Non-current financial liabilities	15,269	0	-161	15,107
Deferred tax liabilities	227	-16	-7	204
Non-current liabilities	**18,036**	**274**	**-188**	**18,122**
Current employee benefits	149	4	-4	149
Current provisions	217	0	-1	216
Operating payables	12,128	0	-360	11,768
Operating liabilities	**12,494**	**4**	**-365**	**12,133**
Current financial liabilities	5,110	0	-31	5,079
Current liabilities	**17,604**	**4**	**-396**	**17,212**
Liabilities directly associated with assets classified as held for sale	24	0	0	24
Total equity and liabilities	**43,097**	**-4**	**-618**	**42,474**

1.3.3.4 Consolidated cash flow statement

In € millions	31/12/2012 published financial statements	IAS 19 Revised impact	Consolidation package impact	31/12/2012 restated financial statements
Net profit for the year	**407**	**-8**	**0**	**398**
Eliminations of:				
share of profit of associates	12	0	-66	-54
deferred tax expense (income)	-97	-1	21	-76
depreciation, amortisation and provisions	1,872	9	-78	1,804
revaluation gains/losses (fair value)	7	0	0	7
net proceeds from disposals and gains and losses on dilution	-226	0	-1	-227
Other non-cash income and expenses	0	0	0	0
Cash from operations after net borrowing costs and taxes	**1,975**	**0**	**-123**	**1,852**
Eliminations of:				
corporate income tax expense (income)	434	0	-13	422
net borrowing costs	295	0	2	296
dividend income	-9	0	0	-9
Cash from operations before net borrowing costs and taxes	**2,695**	**0**	**-134**	**2,562**
Impact of change in working capital requirement	-285	0	-8	-293
Taxes paid	-344	0	17	-327
Dividends received	0		40	40
Net cash from operating activities	**2,066**	**0**	**-85**	**1,982**
Acquisitions of subsidiaries net of cash acquired	0	0	-3	-3
Disposals of subsidiaries net of cash transferred	20	0	0	20
Purchases of intangible assets and property, plant and equipment	-2,165	0	29	-2,136
Disposals of intangible assets and property, plant and equipment	405	0	-7	398
New concession financial assets	-624	0	0	-624
Proceeds on concession financial assets	495	0	0	495
Purchases of financial assets	-26	0	3	-23
Disposals of financial assets	948	0	0	948
Change in loans and receivables	20	0	-27	-7
Change in cash assets	59	0	0	59
Receipt of investment grants	206	0	-1	205
Dividends received	10	0	-10	0
Net cash used in investing activities	**-654**	**0**	**-16**	**-669**
Cash from equity transactions	-221	0	0	-221
Issue of debt instruments	1,167	0	-39	1,128
Repayments of borrowings and the RFF receivable	-1,104	0	17	-1,087
Net borrowing costs paid	-278	0	-2	-280
Dividends paid to Group shareholders	-199	0	0	-199
Dividends paid to minority interests	-35	0	0	-35
Increase/(decrease) in cash borrowings	1,056	0	-1	1,056
Change in derivative instruments	3	0	0	3
Net cash from financing activities	**389**	**0**	**-25**	**365**
Effects of exchange rate changes	3	0	-2	1
Impact of changes in accounting policies	4	0	-3	0
Impact of changes in fair value	-1	0	0	-1
Increase (decrease) in cash and cash equivalents	**1,808**	**0**	**-131**	**1,677**
Opening cash and cash equivalents	3,660	0	-206	3,454
Closing cash and cash equivalents	5,468	0	-337	5,131

1.3.3.5 Off-balance sheet commitments

Due to the switchover to the equity consolidation method, the contributions of initially fully or proportionately consolidated entities are removed from the various off-balance sheet commitments given or received. Conversely, the Group's commitments towards these entities are presented in off-balance sheet commitments. The total impacts by type of commitment are as follows:

	31/12/2012 published financial statements	Consolidation package impact	31/12/2012 restated financial statements
Commitments received	**Total commitment**		**Total commitment**
Commitments relating to financing	**1,058**	**-2**	**1,056**
Personal collateral	87	-2	85
Unused confirmed credit lines	971	0	971
Commitments relating to operations	**5,450**	**79**	**5,529**
Investment commitments for the operation of rail equipment	2,694	48	2,742
Purchase commitments for non-current assets other than rail equipment	446	0	446
Property sale undertakings	95	0	95
Operating guarantees	1,025	0	1,025
Operating leases: equipment	426	19	445
Operating leases: property	760	12	772
Commitments relating to operating purchase contracts and non-current assets	4	0	4
Commitments relating to the Group consolidation scope	**94**	**0**	**94**
Warranties	94	0	94
Financial recovery clause on waiver of financial receivables	1	0	1
Other commitments received	**13**	**-5**	**8**
Total commitments received	**6,616**	**72**	**6,688**

	31/12/2012 published financial statements	Consolidation package impact	31/12/2012 restated financial statements
Commitments given	**Total commitment**		**Total commitment**
Commitments related to financing	**1,901**	**-252**	**1,648**
Personal collateral	329	-3	326
Personal collateral: guarantees given for loans to employees	1,073	0	1,073
Security interests	483	-268	215
Unused confirmed credit lines	15	19	34
Commitments relating to operations	**12,602**	**-922**	**11,679**
Investment commitments for the operation of rail equipment	6,432	-256	6,175
Purchase commitments for non-current assets other than rail equipment	1,242	-4	1,238
Property sale undertakings	140	0	140
Operating guarantees	538	0	538
Customs guarantees (Geodis)	160	-2	158
Operating leases: equipment	1,486	-280	1,205
Operating leases: property	1,549	-62	1,487
Commitments relating to operating purchase contracts and non-current assets	613	-317	296
Firm commodity purchase commitments (electricity, diesel)	442	0	442
Commitments relating to the Group consolidation scope	**847**	**0**	**847**
Security commitments (option contracts)	797	0	797
Other commitments relating to the Group consolidation scope	51	0	51
Other commitments given	**52**	**0**	**52**
Total commitments given	**15,402**	**-1,175**	**14,227**

2. ACCOUNTING POLICIES

2.1. BASIS OF CONSOLIDATION

2.1.1. Entities under control, joint control or significant influence

Controlled companies over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Under IFRS 10, control is defined and determined based on three criteria: power, exposure to variable returns and the relationship between power and these returns.

Practically speaking, control is presumed to exist where the Group holds 50% or more of the voting rights in an entity (total of existing voting rights and potential voting rights which are substantially exercisable before the holding of management body meetings) or where the Group can:

— control over half the voting rights pursuant to an agreement with other investors;

— manage the financial and operating policy of the entity pursuant to a contract;

— appoint or dismiss the majority of the members of the Board of Directors or an equivalent management body;

— control the majority of the voting rights at meetings of the Board of Directors or an equivalent management body.

All material transactions between the consolidated companies are eliminated.

The profit or loss of subsidiaries is divided between the Group and the non-controlling interests based on their percentage interest even if this results in the recording of negative non-controlling interests.

Joint arrangements qualified as joint ventures under IFRS 11, meaning that they solely give rights to the net assets of an entity, are equity-accounted for consolidation purposes.

Entities in which the Group exercises significant influence over financial and operating policies, but which it does not control, are equity-accounted. Significant influence is presumed to exist where the Group holds an interest of 20% or more.

The results of companies acquired or disposed of during the financial year are included in the consolidated income statement of the Group from the date control is acquired or up to the date of transfer of control, respectively.

The financial statements of the companies included in the scope of consolidation are drawn up to 31 December 2013 and restated to comply with Group accounting policies. All internal profits and losses are eliminated on consolidation.

The list of subsidiaries, joint ventures, joint operations, and associates is presented in Note 33.

The Group exercised its judgement to assess the level of its control of the following companie.

2.1.2. Low-rental housing companies (ESH)

The assessment of control exercised over low-rental housing companies (Entreprises Sociales pour l'Habitat or ESH) is a complex issue that must be approached with pragmatism, taking into account the constraints resulting from the extremely strict regulatory framework governing low-rental housing and the focus set by SNCF for its housing policy. It would appear that consolidation is not appropriate as:

— while SNCF exercises influence over certain aspects of management of the ESH, it cannot be qualified as a controlling influence; SNCF neither directs the relevant activities of the ESH pursuant to IFRS 10, nor influences policy-making pursuant to IAS 28 revised, due to the restrictions and strict supervision imposed by the Law;

— the SNCF Group's decision to own the four ESH concerned is primarily based on institutional and general interest arguments and not on financial and asset ownership considerations, whether direct or indirect, the potential returns being very limited.

Shares in the ESH companies are therefore retained in balance sheet assets and classified in available-for-sale financial assets. The main consolidated balance sheet headings of these companies are as follows:

— Non-current assets: €3,788 million (€3,442 million in 2012);

— Non-current liabilities (debt): €2,284 million (€2,023 million in 2012).

2.1.3. SOFIAP

SNCF holds shares in a group of real-estate financing companies. Under the Socrif brand, the group comprises SNCF Habitat (a wholly-owned public interest cooperative), Sofiap (a credit institution 49% held and controlled by Crédit Immobilier de France Développement) and Soprim (a wholly-owned simplified joint stock company). Given the legal restrictions governing the returns obtained by investors from public interest cooperatives for home ownership (specific statutory regulations enacted by the French Construction and Housing Code), SNCF is neither exposed to variable returns of SNCF Habitat, nor can it exercise any power on these returns. Consequently, SNCF Habitat is not consolidated according to IFRS 10. The same is true for Sofiap and Soprim, which are indirectly held through SNCF Habitat, due to the absence of effective control. Soprim has a very limited activity. The year-end financial aggregates of Sofiap were as follows:

— Non-current assets: €541 million (€498 million as at 31 December 2012)

— Non-current liabilities: €635 million (€594 million as at 31 December 2012)

2.1.4 Eurostar International Limited (EIL)

Incorporated under British law, EIL was effectively created on 1 September 2010 following in-kind or cash contributions from each party, as required for EIL's activity, in return for a stake in the company's share capital. SNCF therefore holds a 55% stake in EIL, while LCR and SNCB hold 40% and 5%, respectively.

Parallel to the creation of EIL, an agreement between the three shareholders was drawn up. The agreement sets out the composition of the EIL Board of Directors, a decision-making procedure designed to protect the interests of each shareholder, a mechanism governing settlement of potential conflicts and a pre-emption right for each shareholder in the event one of them should withdraw from the arrangement.

In practice, because of the characteristics of the dispute resolution process, SNCF and LCR generally agree on all strategic decisions with neither party unilaterally imposing its point of view.

SNCF considers joint control to be the strategy that best reflects the governance instituted and its practice.

As the parties have rights to the net assets, EIL is a joint venture under IFRS 11 and is equity-accounted.

2.2. BUSINESS COMBINATIONS AND GOODWILL

2.2.1. General principles

Pursuant to the purchase method, the identifiable assets and liabilities of the acquired company that meet IFRS recognition criteria are recognised at their fair value at the acquisition date, except for assets classified as held for sale, which are measured at fair value less costs to sell.

Only identifiable liabilities meeting the recognition criteria of a liability or contingent liability in the acquired company are recognised at the acquisition date for the purpose of allocating the cost of the business combination. Therefore, a restructuring liability of the acquired company is only recognised for the purpose of allocating the business combination cost if, at the date of the acquisition, the acquired entity has a present obligation to perform this restructuring.

Adjustments to the fair value of assets and liabilities acquired as part of a business combination initially recognised based on provisional values (due to ongoing external valuation procedures or outstanding additional analyses), are recognised as retrospective adjustments to goodwill if they arise in the 12 months following the acquisition date. After this period, any adjustments are recognised directly in profit or loss unless they represent corrections of an error.

Goodwill is not amortised but is subject to impairment tests when there is an indication of impairment and at least once a year, according to the methods described in Note 2.8.

Negative goodwill is recognised immediately in operating profit.

Capital gains or losses on the disposal of an investment take into account the net carrying amount of the related goodwill. Purchases and disposals of non-controlling interests (minority interests) without a change in the level of control are allocated to equity.

2.2.2. Business combinations prior to 1 January 2010 (application of the former IFRS 3)

Non-controlling interests in the acquired company are measured at the proportion of the net fair value of assets and liabilities recognised.

The difference between the acquisition cost and the Group's interest in net assets acquired, at fair value, is recognised as goodwill. The acquisition costs include costs directly attributable to the acquisition.

For a step acquisition, the fair value remeasurement of the previously held acquisition is recorded in equity.

Additional considerations are recognised at fair value at the acquisition date once they are probable and can be reliably measured. Adjustments to additional considerations are offset in goodwill over an indefinite period.

2.2.3. Business combinations subsequent to 1 January 2010 (application of the revised IFRS 3)

For non-controlling interests in the acquired company, the Group may choose, for each business combination, between the partial and full goodwill methods.

— In the partial goodwill method, only the portion of goodwill attributable to the Group is recorded in the balance sheet. Non-controlling interests in the acquired company are measured at the proportion of the net fair value of assets and liabilities recognised.

— In the full goodwill method, goodwill is fully recognised. The portion attributable to non-controlling interests is included in the measurement of non-controlling interests, which are thus recorded at fair value.

Costs directly attributable to a business combination are no longer included in its cost, which is limited to the price paid to the vendor for the acquisition of the shares. These costs are expensed.

In the event of a step acquisition, the fair value remeasurement of the previously held equity interest is recognised in operating income after the gain or loss on disposal of assets.

Additional considerations are recognised at fair value on the date of acquisition. Adjustments of additional considerations are offset against goodwill, if and only if they occur during the allocation period and relate to new information on the existing situation on the date of control. In other cases, any adjustment of additional consideration is recognised in profit or loss or, in accordance with IAS 39, in other comprehensive income.

2.3. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros using the period-end exchange rate method:

— balance sheet accounts are translated using exchange rates prevailing on the balance sheet date,

— income statement items are translated at the average annual rate of exchange,

— translation differences arising on the retranslation of opening balance sheet items (movement between opening and closing exchange rates) and income statement items (movement between average and closing exchange rates) are taken to Translation differences in consolidated equity.

Likewise, foreign exchange differences arising from the translation of receivables and payables that are part of the net investment in a foreign subsidiary are also recorded in Translation differences in consolidated equity. They are recorded in profit or loss upon removal of the net investment.

2.4. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Foreign currency-denominated transactions are translated by the subsidiary into its functional currency at the exchange rate prevailing at the transaction date.

Monetary items in the balance sheet are retranslated at the closing exchange rate at each balance sheet date, and the resulting translation differences are recorded in profit or loss or as a separate equity component if they relate to hedging transactions qualifying as net investment or cash flow hedges under IFRS.

2.5. SERVICE CONCESSION ARRANGEMENTS

2.5.1. Presentation of IFRIC 12

The scope of IFRIC 12 includes an arrangement whereby the assets used to provide a public service are controlled by the grantor. Control is deemed to occur when the following two conditions are met:

— the grantor controls or regulates the public service, i.e. he controls or regulates the services that must be provided with the infrastructure that is the subject of the concession, to whom it must provide them, and at what price; and

— the grantor controls the infrastructure, i.e. the grantor can acquire it at the end of the term of the arrangement.

Pursuant to IFRIC 12, the infrastructures used cannot in these cases be recorded as property, plant and equipment in the operator's balance sheet, but rather as an intangible asset ("intangible asset model") and/or a financial asset ("financial asset model") according to the level of consideration given by the grantor:

— the "intangible asset model" applies where the operator receives a right to charge users of the public service and is paid in substance by the user, which means the operator bears a demand risk;

— the "financial asset model" applies where an operator has an unconditional right to receive cash or another financial asset, either directly from the grantor or indirectly by means of guarantees given by the grantor on the revenue from users of the public service. The consideration is independent of the users' use of the infrastructure.

2.5.2. Group activities that could be concerned

As part of its proximity transport activities (regional, trans-regional and local), the Group provides public services (rail transport regulated service) for the French State (Transport Organising Authority for Trains d'Equilbre du Territoire), through its SNCF Proximités division, for public authorities (in France, the Regions – Regional transport network organising authorities – and urban centres, and at the international level, various local authorities), in return for a consideration. These services are covered by operating agreements with terms of 3 to 10 years. The accounting treatment of these agreements is described in IFRIC 12 interpretation "Service concession arrangements," applicable retrospectively for financial periods starting from or after 1 January 2010 for infrastructures capitalised following the conclusion of such agreements.

2.5.3. Scenarios identified

Certain scenarios are excluded from the scope of IFRIC 12 since the conditions for presuming control of the grantor are not met. The assets relating to these contracts continue to be recognised as property, plant and equipment as in previous years.

For contracts within the scope of the interpretation, the assets constructed or acquired subsequent to the signature of the contract to fulfil the public service mission are classified either in financial assets or intangible assets according to the contract's risk exposure level. Other assets constructed or acquired prior to the signature of these contracts continue to be recognised as property, plant and equipment as in previous years.

2.5.4. Related grants

Grants received in connection with concession arrangements are deducted from intangible assets or financial assets based on the applicable model following analysis of each contract.

In the intangible asset model, grants are deducted from the amortisation charge of the concession over the residual term of the concession arrangement.

In the financial asset model, investment grants are classified as a repayment clause of the asset. Infrastructures falling under the scope of IFRIC 12 that are fully subsidised have a nil value in balance sheet assets.

2.6. INTANGIBLE ASSETS

Intangible assets primarily comprise the customer base, leasehold rights, licences and software and trade names acquired during business combinations. They are recorded at historical cost or, where necessary, at fair value on the date of acquisition if such assets are acquired in connection with a business combination.

Where an intangible asset has a finite life, it is amortised on a straight-line basis over its period of use, of between one and five years.

Where an intangible asset has an indefinite life, it is not amortised but is subject to impairment tests at least once a year, according to the methods described in Note 2.8.

Pursuant to IFRIC 12 on service concession arrangements, as described above in 2.5, intangible assets are recognised for service concession agreements according to which the grantor when the Group, as operator, receives a right to charge users of the public service and is paid in substance by the user, the operator bearing a demand risk. The intangible asset is amortised over the term of the arrangement.

2.7. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Group include assets made available by the French State, assets owned outright and assets purchased under finance lease agreements.

The French Orientation Law on Domestic Transport (LOTI), partially recodified in the legislative section of the French Transport Code of 28 October 2010, lays down the terms of possession of assets entrusted to the SNCF Group.

On the creation of the industrial and commercial public institution SNCF on 1 January 1983, the real estate assets previously given under concession to the semi-public limited liability company which it succeeded were appropriated to it.

These assets made available by the French State, without transfer of title, are recorded in the SNCF Group balance sheet to enable an economic assessment of Group performance.

Subject to legal provisions applicable to infrastructures deemed of general interest or public utility, SNCF exercises full management powers over all real estate assets entrusted to it or purchased by it.

Real estate assets held by the public institution, no longer used in the performance of its activities or which are part of its private domain, may be allocated to another purpose or sold by the public institution for profit.

2.7.1. Owned assets

Property, plant and equipment owned outright are recorded in consolidated assets at acquisition cost. Internally produced assets are recorded at production cost. Property, plant and equipment acquired as part of a business combination are recorded at their fair value on entry into the consolidation scope.

The production cost of assets manufactured comprises the cost of raw materials and labour used to manufacture the assets, including that of purchased spare parts. Interest costs have been capitalised since 1 January 2009 pursuant to revised IAS 23. Property, plant and equipment are not subject to periodic revaluation.

Maintenance and repair expenses are recognised as follows:

— Rolling stock:
– current maintenance expenses born during the useful life of equipment (repair work on faulty spare parts and replacement of unusable and missing parts) are recorded as operating expenses;
– expenses under multi-year major overhaul programmes are capitalised as a separate overhaul component and depreciated;
– overhauls performed at the end of the useful life of a component, together with refurbishment and transformation costs, are capitalised in assets where they extend the useful life;

— Fixed installations:
– current maintenance and repair expenses (technical inspections, maintenance contracts, etc.) are recorded as operating expenses;
– expenses under multi-year major building maintenance programmes are capitalised via the partial or total replacement of each component concerned.

As with the dismantling obligations, asbestos removal obligations for rolling stock are offset against an increase in the value of the equipment in balance sheet assets (see Note 2.18.2).

Property, plant and equipment are depreciated over their estimated useful life mainly on a straight-line or declining balance basis over 4 years for IT equipment.

2.7.2. Depreciation periods

Property, plant and equipment are depreciated over the following periods:

Land development	**20 years**
Complex constructions (stations, administrative buildings, etc.)	
Building shell	50 years
Enclosure	25 years
Light work	25 years
Fixtures and fittings	15 years
Technical work	15 years
Simple constructions (workshops, warehouses, etc.)	
Building shell, light work, enclosure	30 years
Fixtures and fittings	15 years
Technical work	15 years
Plant and equipment	**5 to 20 years**
Cars	**5 years**
Rail transport equipment:	
TGV:	
Structure	30 years
Interior fittings	15 years
Overhaul work	15 years
Electric and diesel locomotives:	
Structure	30 years
Overhaul work	15 years
Motorised carriages:	
Structure	30 years
Interior fittings	15 years
Overhaul work	15 years
Passenger carriages:	
Structure	30 years
Interior fittings	15 years
Overhaul work	10 to 15 years
Freight cars	30 years ± 20%
Ships	20 years
Other property, plant and equipment	**3 to 5 years**

2.8. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The Group assesses whether there is an indication that an asset has been significantly impaired at each balance sheet date. Where there is such an indication, an impairment test is performed.

Goodwill and indefinite life intangible assets are subject to an impairment test each year and whenever there is an indication of impairment.

When performing impairment tests, goodwill is allocated to the Cash-Generating Unit (CGU) or group of CGUs that are expected to benefit from the synergies of the combination and representing the lowest level at which the goodwill is monitored for internal management purposes, regardless of whether other assets and liabilities of the acquired entity are allocated to these CGUs or groups of CGUs.

Property, plant and equipment and finite life intangible assets are subject to impairment when events or circumstances during the period (obsolescence, physical deterioration, significant changes in the method of utilisation, performances falling short of forecasts, decline in revenues, other external indicators, etc.), indicate that a loss in value may have occurred and that the recoverable amount may be less than the net carrying amount.

Impairment tests consist of comparing the net carrying amount of an asset or goodwill balance with its recoverable amount, equal to the higher of the fair value less costs to sell and the value in use. The recoverable amount of an asset is determined individually, unless the asset does not generate cash flows independent of those of other assets or groups of assets. In such cases, which encompass the majority of tangible and intangible assets of SNCF and goodwill balances, the Group determines the recoverable amount of the group of assets (Cash-Generating Unit) to which the asset tested belongs.

The value in use corresponds to the value of the future economic benefits expected from the asset's use or removal. It is assessed based on discounted future cash flows determined according to economic assumptions and projected operating conditions adopted by SNCF management:

— cash flows are determined in business plans, drawn up for periods of 3 to 5 years and validated by the management bodies;

— beyond this timeframe, the flows are extrapolated by applying a long-term growth rate that is close to the long-term inflation rate expected by the Group in France, subject to the expected useful life of the assets tested or the indefinite life for goodwill and other indefinite life intangible assets;

— flows are discounted at a rate appropriate to the activity sector.

Impairment losses recorded on goodwill cannot be reversed.

2.9. ASSETS AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation represents a significant activity or geographical area for the Group that is the subject of a disposal or classification as an asset held for sale.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations":

— non-current assets of controlled entities held for sale are presented on a separate line of the balance sheet at the lower of their net carrying amount and fair value less costs to sell. Any liabilities relating to these assets or operations are also presented separately in liabilities;

—the impact on profit or loss of the period of all discontinued operations is presented on a separate line of the income statement, after ordinary activities;

— the impact of discontinued operations on cash flows is presented in the notes to the financial statements.

2.10. FINANCE LEASE TRANSACTIONS

2.10.1. Lease transactions

Leased assets are recorded as purchases financed by loan when the contract terms and conditions correspond to finance lease arrangements. Finance lease agreements are contracts whereby the lessor transfers to the lessee the right to use an asset for a given period in exchange for payment and the lessor transfers all benefits and risks inherent to ownership of the asset. The appraisal criteria applied to these agreements are based on the following:

— the agreement provides for the mandatory transfer of ownership at the end of the lease period,

— the agreement contains a purchase option and the conditions of this option are such that it is reasonably certain, at the conclusion of the lease, that ownership will be transferred,

— the lease term is for the major part of the estimated economic life of the leased asset,

— the present value of the minimum lease payment under the agreement is close to the fair value of the leased asset,

— the leased assets are of such a specific nature that only the lessee can use them without significant modification.

The assets concerned are recorded in assets at the lower of the discounted present value of the minimum lease payments and fair value and depreciated over the same period as equivalent assets owned outright or made available.

Lease agreements not having the characteristics of finance leases are recorded as operating leases and only the lease instalments are recorded in profit or loss.

2.10.2. Sale and leaseback transactions and equivalent

2.10.2.1. Leaseback transactions

In the event of an asset sale resulting in a finance lease arrangement, the transaction is recorded in accordance with the above principles. Any capital gain realised on disposal is deferred and amortised over the lease term.

In the event of a sale resulting in an operating lease arrangement, the impacts differ according to the sale price in relation to fair value:

— If the sale price is lower than or equal to fair value, any profit or loss shall be immediately recorded in the income statement.

— If the sale price is strictly below fair value with a loss compensated for by future lease payments at below market price, the loss shall be deferred and amortised over the lease term.

— If the sale price is strictly above fair value, the excess over fair value shall be deferred and amortised over the lease term.

2.10.2.2. Other transactions

In addition, certain financial arrangements concern existing finance lease agreements. As the existing equipment financing structure is not altered and the proceeds of such transactions are definitively earned, they are recognised in finance costs on signature of the agreement (see Note 28.1).

2.11. FINANCIAL ASSETS

Financial assets include investments in companies that are neither controlled nor subject to significant influence, loans and financial receivables, guarantee deposits paid in respect of derivative instruments (cash collateral) and the fair value of derivative instruments.

"Standard" purchases are recorded at the settlement date.

Financial assets are presented in non-current assets, unless they mature in less than 12 months at the balance sheet date, in which case they are classified in current assets or cash equivalents as appropriate.

The fair value of listed financial instruments is determined by reference to the stock market price at the balance sheet date. It falls under Level 1 of the fair value hierarchy set forth in paragraph 72 of IFRS 13. The fair value of unlisted financial instruments, for which there exists listed instruments of a similar nature and maturity, is determined by reference to the stock market price of such instruments. The fair value of other unlisted instruments is determined using valuation techniques such as the revalued net asset method, discounted cash flows or option valuation models. The models used take into account assumptions based on market data and fall under Level 2 of the fair value hierarchy set forth in paragraph 72 of IFRS 13, while the other models based on non-observable market data fall under Level 3 of the hierarchy.

2.11.1. Available-for-sale assets

Available-for-sale assets include Group investments in the share capital of unconsolidated companies that the Group does not hold for short-term profit and investments that do not qualify for inclusion in other asset categories.

Investments are measured at fair value unless this cannot be reliably determined, in which case they are retained in the balance sheet at acquisition cost. Fair value is determined based on the financial criteria most appropriate to the specific situation of each company. The most commonly adopted criteria are the market value or the share in equity held and the profitability outlook if the market value cannot be obtained.

Investments are measured at fair value using the market data, yield curves and credit spreads of each securities issuer. The measurement of these investments is compared to the listing price when available.

Fair value gains and losses on available-for-sale assets are recorded in a specific account in other comprehensive income. Amounts recognised in equity are only transferred to profit or loss on disposal of the asset. In the event of a significant or extended fall in the fair value below the net carrying amount, an impairment loss is recognised. This is recorded in an impairment loss account through profit or loss and cannot be reversed if it concerns shares.

2.11.2. Assets at fair value through profit or loss (trading assets)

Trading assets consist of assets that the Group intends to sell in the near term in order to realise a capital gain and assets recorded in this category by designation.

In particular, SNCF Group cash balances are globally managed pursuant to a general market risk management framework approved by the Board of Directors and combining investments in negotiable debt instruments and French money market mutual funds (UCITS). Management performance is measured, in the same way as UCITS, by reference to EONIA (Euro Overnight Index Average). As UCITS are measured at net asset value taking into account portfolio fair value, and in order to achieve overall consistency, investments with an initial maturity of more than three months are recorded in this category by designation.

Assets are valued at fair value at the balance sheet date and fair value gains and losses are recorded in finance costs.

Virtually all these investments are measured at fair value using market data, which falls under Level 2 of the fair value hierarchy set forth in paragraph 81 of IFRS 13.

2.11.3. Cash and cash equivalents

Cash and cash equivalents consist of immediately available liquid assets (cash) and short-term investments, easily converted into a known amount of cash with an initial maturity of less than or equal to three months and which are exposed to a negligible risk of change in value. In particular, investments in French mutual funds (SICAV) and monetary funds with marginal sensitivity are classified in this category and notably French mutual funds and monetary funds classified by the French Stock Market Authority (AMF) in the Euro monetary category or which have a sensitivity of less than 0.25 basis points.

For these securities, the fair value adopted is the UCITS net asset value. It falls under Level 1 of the fair value hierarchy set forth in paragraph 72 of IFRS 13. However, given their year-end residual term, other investments are recorded at their nominal value.

Current bank facilities classified in current financial liabilities are included in cash and cash equivalents in the Statement of Cash Flows.

2.11.4. Loans and receivables issued

This heading includes the RFF receivable, the Public Debt Fund receivable, employee-profit sharing receivables, "construction assistance" loans and other loans and guarantee deposits (including cash collateral assets), as well as financial assets relating to concession arrangements (IFRIC 12). These financial instruments are initially valued at fair value and then subsequently at amortised cost based on the effective interest rate (EIR).

These instruments are presented in non-current assets, except for assets maturing in less than 12 months at the balance sheet date, which are recorded in current assets.

In the event of an objective indication of impairment of financial assets, which is to say a long-term and material decline in an asset's value, an impairment loss is recognised through profit or loss. An objective indication arises from the Group's knowledge of the debtor's financial difficulties (payment default, liquidation, etc.).

2.11.4.1. Réseau Ferré de France receivable

In the law of 13 February 1997 that led to the creation of Réseau Ferré de France (RFF), Article 7 provides for the transfer of a €20.5 billion liability to Réseau Ferré de France in consideration of the transfer of infrastructure assets as at 1 January 1997.

This transfer resulted in the recognition of an RFF receivable in the SNCF Group's assets, with no change in liabilities.

The RFF receivable was constructed line by line so as to present a maturity, currency and interest rate structure identical in all respects to that of the company's liability, which totalled €30.3 billion as at 31 December 1996, after swap contracts.

The 1996 year-end exchange rate was the initial rate used for the foreign currencies included in the receivable.

Deferred income and expenses corresponding to issue premiums and costs or swap contract income or expenses were also transferred, resulting in a cash payment. This payment was recognised in the SNCF Group financial statements as deferred income, which is released to the income statement according to the maturities of the corresponding transactions.

The RFF receivable is embodied in an agreement signed by the two companies.

The receivable is recorded at amortised cost and, where appropriate, is subject to fair value or cash flow hedge accounting.

In the case of a fair value hedge, the corresponding items are measured at fair value using market data. The fair value falls under Level 2 of the fair value hierarchy set forth in paragraph 27A of IFRS 7.

2.11.4.2. Public debt fund receivable

In accordance with the corporate plan (contrat de plan) signed by the French State and SNCF in 1990, a Special Debt Account was set up on 1 January 1991 in order to isolate a portion of SNCF's debt.

On the preparation of SNCF's opening IFRS balance sheet as at 1 January 2006, the debt from the Special Debt Account was transferred to the SNCF balance sheet. At the same time, confirmation of the French State's commitment to contribute to the amortisation and servicing of the debt led to the recognition of a receivable in respect of expected payments from the French State.

The following transactions were performed in December 2007, in order to find a long-term and definitive solution to the future of these commitments and the financing of Special Debt Account debts:

1. On 31 December 2007, on the entry into effect of the 2007 amended Finance Act and in accordance with Article 82 of this Act, mirror contracts were set up between SNCF and the Public Debt Fund:

— signature of a loan agreement between SNCF and the Public Debt Fund, exactly reflecting the amount of the Special Debt Account debt and its financial terms and conditions and also covering the related derivatives;

— simultaneous signature of a mirror agreement, under which the Public Debt Fund provides an identical loan to SNCF under the same terms and conditions.

On completion of these transactions, SNCF held both a receivable and payable vis-à-vis the Public Debt Fund of the same amount and repayable pursuant to identical terms and conditions, which reflect commitments to third-parties ring-fenced in the Special Debt Account.

2. Following implementation of these mirror contracts, the French State, as authorised by Article 82 of the 2007 Amending Finance Act and pursuant to the Order of 28 December 2007, replaced SNCF with regard to the repayment of SNCF's debt to the Public Debt Fund.

3. Due to the transfer of this commitment to the French State and the change in related debtor, SNCF is now free of all obligations pursuant to the aforementioned contract with the Public Debt Fund.

In return, the financial commitments of the French State under the Special Debt Account as at 1 January 2006 were cleared. The Special Debt Account was closed on completion of these transactions. As a result, SNCF:

— remains indebted towards holders of securities with the banking counterparties of forward financial instruments (foreign currency and interest rate swaps) it has contracted;

— holds a receivable on the Public Debt Fund exactly reflecting the amount of the Special Debt Account debt and its terms and conditions and also covering the related derivatives. The method of accounting for the receivable is unchanged in relation to the method that had been adopted for the recognition of a receivable in respect of expected payments from the French State in the opening IFRS balance sheet as at 1 January 2006, namely:

— the receivable is initially recorded, at the transfer date, at the fair value of debts transferred and subsequently at amortised cost;

— derivative instruments relating to the receivable are recorded at fair value, with gains and losses on remeasurement recognised in profit or loss.

2.11.4.3. Financial assets relating to concession arrangements (IFRIC 12)

Pursuant to IFRIC 12 Service Concession Arrangements, a financial asset is recognised when the Group, the operator, has an unconditional right to receive cash or another financial asset, either directly from the grantor or indirectly by means of guarantees given by the grantor on the revenue from users of the public service. The consideration is independent of the users' use of the infrastructure. Investment grants are classified as a repayment clause of the operating financial asset. The Group has opted to categorise these financial assets in loans and receivables pursuant to IAS 39 and to record them at amortised cost calculated using the effective interest rate.

2.12. INVENTORIES

Inventories are valued at the lower of cost price and net realisable value. Cost price is equal to acquisition or production cost. Production cost includes both direct and indirect production expenses.

Cost price is calculated using the weighted average cost method.

Inventories are written down based on the turnover, nature, age and useful life of items.

2.13. OPERATING RECEIVABLES

Receivables are recorded at nominal value on issue, except for receivables with a maturity of more than one year, which are discounted to present value where the impact of discounting is material. Impairment is recognised when there is a potential risk of non-recovery. This impairment is determined based on an individual or statistical appraisal of non-recovery risk using historical data.

2.14. FINANCIAL LIABILITIES

Financial liabilities include borrowings, other financing and bank overdrafts, guarantee deposits received in respect of derivative instruments (cash collateral liabilities) and the negative fair value of derivative instruments.

These instruments are included in "Non-current liabilities" except for liabilities maturing in less than 12 months at the balance sheet date, which are recorded in current liabilities.

Borrowings and other financial liabilities are initially measured at fair value plus transaction costs and subsequently at amortised cost determined using the effective interest rate.

Certain borrowings are subject to fair value or cash flow hedge accounting. In addition, certain borrowings with detachable embedded derivatives recorded using hedge accounting are recorded at fair value ("fair value" option). Fair value gains and losses are recorded in finance costs.

The option to record liabilities at fair value through profit or loss is used when the liabilities in question comprise an embedded derivative significantly modifying the cash flows which would otherwise result from the contract or where the Group is unable to value the embedded derivative separately. This option only concerns liabilities of the SNCF, an Industrial and Commercial Public Institution. The Group considers that exposure to own credit risk does not give rise to any change in value.

The fair value of financial liabilities is determined using measurement techniques such as option valuation models or the discounted cash flow method. The models take into account assumptions based on market data at the balance sheet date and fall under Level 2 of the fair value hierarchy set forth in paragraph 81 of IFRS 13.

2.15. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

Derivative instruments traded by the Group to manage currency, interest rate and commodity risks are recorded in the balance sheet at their fair value at the balance sheet date.

2.15.1. General case

Derivative instruments are initially measured at fair value and are remeasured to fair value at subsequent reporting dates.

Fair value is determined using measurement techniques such as option valuation models or the discounted cash flow method. The models take into account assumptions based on market data at the balance sheet date and fall under Level 2 of the fair value hierarchy set forth in paragraph 81 of IFRS 13.
Changes in the fair value of derivative financial instruments that are not associated with operations and not part of a designated hedging relationship as defined by IAS 39 are recorded in profit or loss in finance costs.

2.15.2. Cash flow hedges

The Group trades on the derivatives market to hedge floating-rate receivables and payables and receipts and payments relating to its commercial activities.

When IAS 39 criteria are met, the derivative instruments are designated as hedges and fair value gains and losses are recorded directly in a specific account in other comprehensive income, except for the ineffective portion of the hedge, which is recorded in profit or loss. When the hedged flows impact profit or loss, the amounts deferred in other comprehensive income are released to profit or loss to match the flows of the hedged item.

2.15.3. Fair value hedges

The Group also uses derivative instruments to hedge the fair value of fixed-rate receivables and payables denominated in euro and foreign currencies.

When IAS 39 criteria are met, the derivative instruments are designated as fair value hedges and:

— fair value gains and losses arising on the derivative are recorded in profit or loss for the period,

— the hedged item is remeasured to fair value at the balance sheet date, for the hedged portion of the risk, through profit or loss.

As such, fair value gains and losses on the derivative and the hedged item cancel out in profit or loss, except for the ineffective portion of the hedge.

2.16. INVESTMENT GRANTS

The Group receives investment grants in the form of third-party asset financing, primarily from regional authorities.

Investment grants are deducted from the related assets (intangible assets, property, plant and equipment and concession financial assets). Grants relating to intangible assets and property, plant and equipment are recorded in operating profit (decrease in depreciation and amortisation) based on the estimated useful life of the related assets. Investment grants relating to concession financial assets are classified as a repayment clause of the operating financial asset.

2.17. DEFERRED TAX

The Group recognises, for each tax entity, deferred tax on all timing differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Deferred tax is recorded using the liability method, applying the most recently voted tax rate at the year-end applicable to the period in which the timing differences are expected to reverse.

Deferred tax assets in respect of timing differences and tax losses or credits carried forward are recognised when recovery is deemed probable. The Group's ability to recover these tax assets is assessed through an analysis of its business plan and the uncertainties presented by the economy and Group markets.

A deferred tax liability is recognised in respect of investments in subsidiaries, joint ventures and equity associates, on all timing differences between the book and tax values of shares, unless:

— the Group controls the date at which the timing difference will reverse (e.g. through a dividend distribution or the sale of an investment); and

— it is probable that this difference will not reverse in the foreseeable future.

Therefore, a deferred tax liability is only recognised in respect of wholly or proportionately consolidated companies in the amount of any withholding tax due on dividend distributions planned by the Group.

A deferred tax asset is only recognised to the extent that it is probable that:

— the timing difference will reverse in the foreseeable future; and

— taxable profits will exist against which this timing difference can be offset.

Deferred tax assets and liabilities are not discounted and are recorded in non-current items.

2.18. PROVISIONS

Provisions are recorded when, at the balance sheet date, the Group has a present obligation to a third party as a result of a past event and the settlement of this obligation will require an outflow of company resources.

This obligation may be legal, regulatory or contractual and may result from Group practice or external commitments that create valid expectations in third parties that the Group will assume certain responsibilities.

The estimated amount of the provision reflects the outflow of resources that is likely to be necessary to settle the Group's obligation. If a reliable estimate of this amount cannot be made, a provision is not recorded and disclosure is provided in the notes to the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will only be confirmed by the occurrence of uncertain future events not wholly within the control of the Group, or a probable obligation where it is not probable that an outflow of resources will be required. Except for contingent liabilities recognised as part of a business combination, contingent liabilities are not recorded. Disclosure is provided in the notes to the financial statements.

Provisions are discounted where the impact of discounting is material.

2.18.1. Provisions for tax, employee-related and customs risks

The Group records provisions for tax, employee-related or customs risks when it has an obligation arising from a past event with, respectively, tax offices, personnel and employee representative bodies or customs authorities. The provision is assessed for the outflow of resources likely to be incurred. By precaution, the Group provides for challenged tax reassessments.

2.18.2. Provisions for environmental risks

The Group provides for environmental risks when the realisation of the risk is deemed probable. This provision covers the costs of environmental protection and site restoration and clean-up. It specifically includes a contingency provision for asbestos lawsuits filed against the Group.

SNCF Group has set up an environmental management team in response to the enactment in French law of Directive 2004/35 of 21 April 2004 regarding so-called "polluter-payer" environmental liability. One of the team's objectives is to shed light on the impacts with respect to the Group's activities, primarily in terms of storage and distribution installations for fuel, water disposal, waste, etc. The related assessments are recorded on their completion. The impacts are presented in Note 22. Directive 2004/35 has since been transposed in France by Decree 2009-468 of 23 April 2009.

Furthermore, the French government decree of 3 June 2011 relating to the protection of the public against health risks resulting from exposure to asbestos in buildings that came into effect on 1 February 2012 was to be accompanied by implementation decrees. These decrees were published at the end of December 2012 for an implementation date of 1 January 2013. They define the criteria for assessing the state of the materials to be investigated, the content of the report on the identification of asbestos-containing materials as well as the content of the asbestos technical file summary sheet. An action plan has been implemented covering the compliance of the asbestos technical analyses within the deadline stipulated by the new decree, i.e. by 2021. At this stage, the additional performed has not generated a material change in the provision for environmental risks.

With regard to rolling stock containing asbestos, the Group classifies its rolling stock asbestos removal obligations as provisions for dismantlement. Any increase in the provision is offset by an increase in the value of the equipment on the balance sheet for equipment not fully depreciated and in profit or loss for equipment at the end of its useful life. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The cost of dismantlement is amortised over the asset's remaining useful life. Should there be a decrease in the estimated probable outflow of resources, the provision is reversed against the corresponding asset in the balance sheet and in profit or loss for the portion exceeding the net carrying amount of this asset. The provision is gradually extinguished in profit or loss as the asbestos removal is completed.

2.18.3. Provisions for contractual litigation and risks

The provision for contractual litigation and risks mainly includes risks associated with legal disputes and contract settlements in addition to contractual risks.

2.18.3.1. Provisions for disputes and litigation arising from operations

The Group is involved in a certain number of disputes and litigation arising in the normal course of its activities and notably:

— performance bonds received from companies supplying construction work;

— guarantees granted to clients in the freight transportation sector covering incidents arising during transport.

Such disputes and litigation are provided based on an assessment of the related risk.

Up to and including 1999, SNCF self-insured the majority of risks associated with its activities. In 2000, SNCF took out a number of insurance policies providing coverage beyond an initial level covered by self-insurance.

2.18.3.2. Provisions for onerous contracts

Provisions are recognised for long-term contracts when they become onerous, which is to say when the inevitable costs required to satisfy the contractual obligations exceed the future economic benefits expected from these contracts. Provisions are valued based on inevitable costs, which reflect the net contract exit cost, which is to say the lower of the contract performance cost or any other compensation or penalty arising from failure of performance.

2.18.4. Provisions for restructuring costs

The cost of restructuring measures is provided in full in the year when such measures are decided, in principle, and announced in sufficient detail prior to the period-end closing in order to create an expectation that they will be implemented. Restructuring costs primarily consist of employee departure costs and the cost of writing off non-current assets, inventory and other assets.

2.19. EMPLOYEE BENEFITS

In accordance with the laws and practices in the countries in which it operates, the Group participates in pension, early retirement, retirement benefit and health insurance plans for retirees.

In France, the main employee benefit plans are the special regime for employees with SNCF qualifying status (see Note 21 for detailed specifications) and, for subsidiaries, retirement termination payments and long-service awards. Outside France, the main companies offering defined-benefit plans are the United Kingdom, Italy, Germany and the Netherlands.

For the basic plans and other defined-contribution plans, the Group expenses contributions payable when they are due. No provisions are recognised as the Group does not have any obligation beyond the contributions paid.

In the case of defined-benefit plans, when benefits are covered by third parties (insurance contracts, provident organisations unrelated to the Group), and the Group has no legal or implicit obligation to cover any losses relating to past services over the period or prior periods, no obligation is recognised and the insurance/provident premiums paid are recognised as payments to a defined contribution plan, the obligation to provide benefits to employees being the sole responsibility of the third party organisation. In the other cases, the obligations are subject to actuarial valuations and provisions are recorded on the balance sheet upon vesting of benefit rights by employees. The actuarial liability (or present value of the obligation with respect to defined benefits) is determined according to the projected unit credit actuarial method, which stipulates that each period of service gives rise to an additional unit of benefit and measures each unit separately to determine the final obligation. These calculations include assumptions concerning the discount rate, mortality, employee turnover and expected future salary levels.

In the case of plans partially or fully funded by plan assets, the net liability (asset) is recognised in the amount of the negative or positive difference between the present value of the obligation and the fair value of the plan assets.
Changes in the net obligation are recorded according to their nature.

The net charge is recognised:

— In current operating profit for the portion corresponding to service costs representing the straight-line vesting of benefits, past service costs (plan amendment and curtailment) and the impact of settlements. Past service costs are immediately recorded in profit or loss whether the rights are vested or not.

— In finance costs for the portion corresponding to the net financial interest (cost of the reverse discounting of the debt less the implicit return on plan assets, if any, and the interest on the asset ceiling impact) and the actuarial gains and losses generated by long-term benefits.

Actuarial gains and losses are recognised according to the plan's qualification:

— For defined benefit plans covering post-employment benefits, actuarial gains and losses are recognised in other comprehensive income under non-recyclable reserves. They are never recycled in profit or loss but rather reclassified in undistributed reserves if the entity concerned is removed from the consolidation scope.

— For other long-term defined benefit plans (long-service awards, unemployment, salary maintenance, gradual cessation of activity, etc.), actuarial gains and losses and any past service costs are immediately recognised in finance costs.

2.20. REVENUE RECOGNITION

2.20.1. Transportation activity (passenger, freight)

Revenue is recognised based on the effective transportation of passengers and freight.

Revenue recognised in the systems on the issue of a passenger transport ticket is adjusted at the period-end for tickets issued but not used, which are recorded in "Deferred income" under "Operating payables."

Pursuant to IFRIC 13, customer loyalty programmes are measured and recognised at the fair value of the unused point's consideration in "Deferred income" under "Operating payables," with an offsetting decrease in revenue. This deferred income is transferred through profit or loss under the "Revenue" heading as and when the loyalty points are used by customers.

2.20.2. Contributions of the French State and Organising Authorities

These contributions comprise price subsidies covering socially motivated prices introduced by the French State and contributions remunerating global services within a contractual framework or specific services.

2.20.3. Engineering and contracting services performed by the Group

Sub-contracting and project management work performed by the Group over a number of periods is recognised based on contractual data and the economic stage of completion.

2.20.4. Maintenance

Maintenance income and income from the operation of the rail network is recognised in accordance with the multi-year contract negotiated with the network.

2.21. SEGMENT REPORTING

2.21.1. Determination of sectors presented

The SNCF Group's activity is structured according to five divisions supported by common support functions. These divisions sell separate products and services or cover different customer segments. This Group breakdown is used for management purposes and is a component of internal reporting:

— SNCF Infra division: delegated management of the infrastructure for RFF (network maintenance, projects and operation) and engineering (rail infrastructure research and design in France and globally).

— SNCF Proximités division: local transport activities of the Group encompassing medium-distance links (Trains d'Équilibre du Territoire (balancing of regional train service - Intercités), rail transport regulated services (TER, Transilien, etc.), city and intercity (Keolis) and complementary services (Effia).

— SNCF Voyages division: passenger rail transport and distribution (TGV, Europe, etc.).

— SNCF Geodis division: a full range of transport and freight logistics activities. These activities are differentiated between a Global Offering (Geodis logistics, STVA freight forwarding), rail freight fleet management and freight rail transport.

— Gares & Connexions division: dedicated to the development and operation of all stations and the non-discriminatory welcome of all operators.

The common support functions (Common Operations and Investments) include the holding company activities of SNCF Participations and the service provider activities of SNCF Group (Traction, Equipment and Transversal services) and certain operating subsidiaries.

2.21.2. Segment indicators

The Group presents the following balance sheet and income statement indicators by business:

— Total segment assets comprising goodwill, intangible assets and property, plant and equipment net of investment grants, and operating assets.

— Internal and external revenue with elimination of all inter-division transactions in an "Inter-division" column for the presentation of the Group consolidated financial statements.

— Certain income statement analytical balances: gross profit, current operating profit, operating profit and operating profit after share of net profit of companies consolidated under the equity method.

— Certain income statement line items: share of net profit of companies consolidated under the equity method, depreciation and amortisation, movement in provisions, impairment losses.

The accounting methods adopted by each operating division are identical to those used in the preparation of the consolidated financial statements. The information presented for each division includes transactions between divisions.

2.22. INCOME STATEMENT ANALYTICAL BALANCES

SNCF Group has elected to present its income statement by nature. Several analytical balances are identified in order to provide users of the financial statements with information on the component items making up Group net profit.

2.22.1. Gross profit

Gross profit is equal to revenue plus incidental income, net of expenses directly relating to operating activities and primarily purchases, subcontracting costs, other external services, employee costs, taxes and duties other than income tax, asset disposals related to the activity, and other miscellaneous items.

All charges to employee-related provisions and specifically, charges relating to employee commitments (excluding the finance cost), are included in "Employee benefits expense."

2.22.2. Current operating profit

In addition to gross profit, current operating profit includes the majority of non-cash items (depreciation and amortisation, impairment, etc.) and miscellaneous other items not directly attributable to another income statement account.

2.22.3. Operating profit

Transactions of an unusual nature, either due to their frequency or amount, are recorded separately below current operating profit. This presentation has been adopted in order to provide as reliably as possible an overview of the recurring performance of the Group.

The transactions concerned are limited in number and comprise:

— impairment losses on goodwill, intangible assets and property, plant and equipment,

— real estate disposals and asset disposals not directly related to the activity,

— disposals of subsidiaries not representing a discontinued operation as defined by IFRS 5,

— any impacts arising from changes in the scope of consolidation.

2.22.4. Operating profit after share of net profit of companies consolidated under the equity method

Given that the equity-accounted companies extend the Group's business, a subtotal presenting the operating profit after share of net profit of these entities has been created in the income statement. The share of net profit includes impairment recognised on investments in companies consolidated under the equity method.

2.22.5. Finance costs

Finance costs presented by the Group reflect the impact of financing transactions. Finance costs comprise two components:

— net borrowing costs, consisting of interest paid on Group borrowings, proceeds from the RFF receivable and the Public Debt Fund receivable and interest received on available cash balances. These items are presented after hedging transactions and include fair value gains and losses on derivative instruments not meeting IFRS hedge accounting;

— the finance cost of employee benefits, which includes the charge relating to the reverse discounting of the provision for long-term and post-employment benefits, net of interest relating to the implicit return on plan assets determined according to the discount rate of the debt, as well as the amount of actuarial gains and losses generated over the period with respect to long-term benefits.

3. MAJOR EVENTS OF THE YEAR

3.1. NEW ACCOUNTING STANDARDS APPLICABLE

SNCF Group adopted new IFRS standards for the opening balance of its 2013 consolidated financial statements, and specifically IAS 19 revised and the consolidation package comprising IFRS 10, 11, 12 and IAS 27 and 28 revised, with major consequences on the financial statements taken as a whole. The nature of the changes and their impacts are presented in Note 1 to the annual consolidated financial statements.

3.2. REVERSAL OF THE IMPAIRMENT LOSS RECOGNISED FOR SNCF INFRASTRUCTURE – WORKS AND MAINTENANCE

Due to the absence of a long-term horizon and unfavourable results, the assets of this CGU were 100% impaired in 2009. Pursuant to the application of IAS 36 on asset impairment, cumulative and favourable indications of recovery were observed in the first half of 2013:

— confirmation of a revenue improvement trend for the CGU, enabling it to cover its expenses for the production volume requested by RFF; and

— presentation of the major rail system reform strategies to the Council of Ministers' meeting (Conseil des ministres) held on 29 May 2013, as featured in the future draft law and which will strengthen the improved outlook expected for this CGU.

Consequently, the impairment losses recognised in the past have been reversed so that the net carrying amount of the assets corresponds to the amount that would have been obtained had they never been impaired. A net gain of €546 million was recognised under the "Impairment losses" item in the SNCF Infra division income statement. As the assets again have a non-zero depreciation base, depreciation charges have again been recognised in the income statement for this CGU.

The test assumptions and its impacts are described in Note 8 to the consolidated financial statements.

3.3. IMPAIRMENT LOSS RECOGNISED FOR THE TGV FRANCE AND EUROPE (EXCLUDING EUROSTAR) CGU

The decline in operating conditions already observed in 2011 worsened in 2013. The deterioration in a certain number of economic parameters resulted in a new impairment loss for the "TGV France and Europe (excluding Eurostar)" CGU at the year-end. The following changes were noted:

— A sharp and continuous increase in infrastructure fees, marking the TGV's contribution to the network's financing.

— Reduced growth in traffic income combined with the impact of competition from other types of transport (low-cost flights, car pooling, etc.).

— Sustained high capital intensity and a substantial level of investment with the arrival of new TGV2N2 trains and the new order placed in 2013.

— The consideration of unfavourable assumptions regarding new high-speed train services which have shown a tendency to be less profitable due to very high infrastructure costs and, conversely, a greater number of services.

Some of these factors may likely improve, particularly traffic growth depending on the international economic context. As provided for in IAS 36 "Impairment of assets", the Group had to carry out another impairment test for this CGU. The test results gave rise to the recognition of a €1,400 million impairment loss in "Impairment losses" on the income statement, against, principally, a decrease in value of "Property, plant and equipment." This loss signifies that the CGU is not sufficiently profitable to cover the carrying amount of its fleet and its renewal.

The test assumptions and its impacts are described in Note 8 to the consolidated financial statements.

3.4. TRANSFER OF FINANCIAL ASSETS

In December 2013, the Group assigned financial assets from its statement of financial position in two transactions:

— A portion of non-current concession financial assets were securitised under the same terms and conditions as the transaction completed in December 2012. This resulted in the posting of a net receipt of €141 million in "Disposals of financial assets" on the cash flow statement.

— The receivable generated in 2013 by the Competitiveness and Employment Tax Credit set up by the French government (see Note 1.1.2.3) and recorded for French tax consolidation groups was assigned under the Dailly Law. As this involves an operating receivable, its assignment led to a posting of a net receipt of €184 million in "Net cash from operating activities" on the cash flow statement.

Details are provided in Note 28.3 to the annual consolidated financial statements.

3.5. DERAILMENT OF AN INTERCITÉS TRAIN ON 12 JULY 2013

On Friday 12 July 2013, Intercités train 3657 on the Paris-Limoges run derailed in the Brétigny-sur-Orge station (Essonne), with 385 passengers on board. The accident left 7 dead and 30 injured. The extensive material damage stopped and then severely limited circulation for Freight, Intercités and Transilien trains between Paris, Limoges and Toulouse, Paris and Orléans, and the southern trunk lines of the RER C.

All steps were immediately taken to assist travellers, ensure network security and facilitate a return to normal rail traffic as soon as possible.

A national coordination authority, representing all stakeholders and victims' associations, was set up at the request of the French government, in order to guarantee a fair and timely compensation for victims. Signed on 26 September 2013 by the authority's principal members, the national compensation agreement sets out a framework defining the main principles of compensation for the physical damage suffered by the victims and guarantees timely and comprehensive compensation for losses.

As a precautionary measure, on 8 October 2013 SNCF and RFF launched the Vigirail programme, designed to improve switching safety and modernise track maintenance.

At this stage, all that is known is the source of the accident. Investigations to determine the causes are still ongoing. The French Land Transport Accident Investigation Bureau (BEA-TT) published its progress report in January 2014. This report, which clarifies the events and their causes, was presented to SNCF and RFF directors on 13 January 2014 and will serve as a basis to reinforce safety measures for the French railway system. This interim report is a technical investigation. Liability for the accident will be determined by the ongoing judicial proceedings.

3.6. RAILWAY SYSTEM REFORM

The major strategies of the railway system reform were presented to the Conseil des ministres on 29 May 2013. The proposed bill will be read for the first time at the French National Assembly on 16 June 2014.

4. SEGMENT REPORTING

The SNCF Group activity is organised as indicated in Note 2.21.
Operating income segment reporting is as follows:

	31/12/2013							
In € millions	SNCF Infra	SNCF Proximités	SNCF Voyages	SNCF Geodis	Gares & Connexions	Common operations and investments	Inter division	Total
External revenue	5,202	11,591	5,925	8,891	262	361		32,232
Internal revenue	319	373	906	250	923	5,114	-7,884	
Revenue	**5,521**	**11,964**	**6,831**	**9,141**	**1,185**	**5,475**	**-7,884**	**32,232**
Gross profit	**318**	**655**	**782**	**337**	**244**	**468**		**2,804**
Current operating profit/(loss)	**280**	**254**	**392**	**-118**	**115**	**77**		**1,000**
Current operating profit/(loss) after share of net profit of companies consolidated under the equity method	283	267	371	-117	115	90		1,009
Operating profit/(loss) after share of net profit of companies consolidated under the equity method	831	275	-1,029	-103	125	205		303
Share of net profit of companies consolidated under the equity method	4	13	-21	1	0	12		9
Depreciation and amortisation	-61	-350	-369	-343	-127	-302		-1,553
Net changes to provisions	22	-51	-21	-111	-2	-88		-250
Impairment losses	546	0	-1,399	-35	1	2		-886

	31/12/2012							
In € millions	SNCF Infra	SNCF Proximités	SNCF Voyages	SNCF Geodis	Gares & Connexions	Common operations and investments	Inter division	Total
External revenue	4,992	11,529	5,950	9,170	242	342		32,225
Internal revenue	505	360	982	240	727	5 244	-8,059	
Revenue	**5,497**	**11,889**	**6,933**	**9,410**	**969**	**5,586**	**-8,059**	**32,225**
Gross profit	**290**	**645**	**876**	**131**	**183**	**624**		**2,748**
Current operating profit/(loss)	**310**	**361**	**519**	**-229**	**55**	**366**		**1,382**
Current operating profit/(loss) after share of net profit of companies consolidated under the equity method	311	386	540	-230	55	374		1,436
Operating profit/(loss) after share of net profit of companies consolidated under the equity method	160	460	537	-488	62	463		1,194
Share of net profit of companies consolidated under the equity method	1	25	21	-1	0	8		54
Depreciation and amortisation	0	-327	-350	-357	-122	-293		-1,449
Net changes to provisions	21	44	-7	-4	-6	35		82
Impairment losses	-152	-4	-2	-289	1	-5		-451

Only transactions with RFF represent more than 10% of Group revenue. These transactions essentially take place within the division and a breakdown is provided in Note 29.

Total segment assets break down as follows by division:

	31/12/2013							
In € millions	**SNCF Infra**	**SNCF Proximités**	**SNCF Voyages**	**SNCF Geodis**	**Gares & Connexions**	**Common operations and investments**	**Inter division**	**Total**
Total segment assets	**3,215**	**9,063**	**5,251**	**5,941**	**2,998**	**5,599**	**-336**	**31,731**
Investment grants	-11	-3 126	-91	-42	-1,068	-331		-4,670
Total segment assets net of Investment grants	**3,204**	**5,937**	**5 160**	**5,899**	**1,930**	**5,268**	**-336**	**27,062**
Of which: Assets [1]	735	4,168	4,257	3,639	1,736	4,027		18,563

	31/12/2012							
In € millions	**SNCF Infra**	**SNCF Proximités**	**SNCF Voyages**	**SNCF Geodis**	**Gares & Connexions**	**Common operations and investments**	**Inter division**	**Total**
Total segment assets	**2,423**	**8,830**	**6,238**	**6,151**	**2,865**	**5,853**	**-182**	**32,178**
Investment grants	-14	-3,166	-96	-46	-1,023	-316		-4,660
Total segment assets net of Investment grants	**2,409**	**5,664**	**6,142**	**6,106**	**1,842**	**5,537**	**-182**	**27,518**
Of which: Assets [1]	4	4,007	5,317	3,816	1,691	4,060		18,895

[1] Goodwill, PP&E, intangible assets and concession financial assets net of grants

Pursuant to IFRS 8 (section 33), information concerning geographical areas is not provided since the necessary information is unavailable and the cost to prepare it would be excessive.

Liabilities, income tax expense, and interest income and expense are not monitored by the chief operational decision-maker.

5. PURCHASES AND EXTERNAL CHARGES

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

In € millions	31/12/2013	31/12/2012	Change
Sub-contracting	-5,364	-5,511	146
Infrastructure fees [1]	-3,602	-3,494	-108
Other purchases and external charges	-6,653	-6,657	4
Purchases and external charges	**-15,619**	**-15,662**	**43**

[1] Infrastructure fees mainly invoiced by RFF and Eurotunnel

6. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

As at 31 December 2013, the employee benefit expenses and headcount break down as follows:

In € millions	31/12/2013	31/12/2012	Change
Wages and salaries	-12,925	-12,706	-219
Other employee benefits	22	46	-24
Profit-sharing and incentive schemes	-24	-30	7
Seconded and temporary employees	-136	-134	-2
Total employee benefit expenses	**-13,063**	**-12,825**	**-238**
Average number of equivalent full-time employees	**244,570**	**243,954**	**616**

7. DEPRECIATION AND AMORTISATION

As at 31 December 2013, the increase in the charge to depreciation and amortisation net of grant reversals stems from the reversal of the impairment loss recognised for SNCF infrastructure for €60 million (see Note 3).

The heading breaks down as follows:

In € millions	31/12/2013	31/12/2012	Change
Depreciation and amortisation	-2,011	-1,922	-89
Grants released to profit or loss	458	474	-16
Depreciation and amortisation, net of grants	**-1,553**	**-1,449**	**-104**

Depreciation and amortisation concern:

— intangible assets in the amount of €229 million (€209 million in 2012);

— property, plant and equipment in the amount of €1,782 million (€1,713 million in 2012).

8. IMPAIRMENT LOSSES

The impacts on the income statement are as follows:

In € millions	31/12/2013	31/12/2012	Change
Intangible assets and property, plant and equipment	-892	-193	-699
Goodwill	0	-277	277
Provision for liabilities and charges	5	19	-13
Impairment losses	**-886**	**-451**	**-436**

Asset impairment tests are performed on CGUs representing legal entities or defined based on the appropriation of the assets used.

The assets tested include goodwill, indefinite life intangible assets and assets with a finite useful life. The values presented in the tables below for the assets tested are net of losses or reversals recognised in prior years.

The impairments and reversals recorded in the financial statements as at 31 December 2013 and 2012, with respect to the tests conducted, had the following main impacts on net profit:

In € millions	SNCF Voyages TGV France and Europe (excluding Eurostar)	SNCF Infra - Works and Maintenance
Impact on net profit as at 31/12/2013	-1,400	+546

In € millions	SNCF Geodis Global Offering
Impact on net profit as at 31/12/2012	-300

8.1 CGUS WITH SIGNIFICANT GOODWILL IN RELATION TO TOTAL GOODWILL

8.1.1. "Global Offering" CGU

Of the total goodwill net of impairment, €636 million (€652 million as a 31 December 2012) was allocated to the Global Offering Cash-Generating Unit, which comprises the logistics and freight transport activities (excluding rail freight transport) of the SNCF Geodis division. This CGU is tested for impairment at least once annually. The following assumptions were used to determine the recoverable amount:

	2013	2012
Segment	SNCF Geodis	SNCF Geodis
CGU	Global Offering	Global Offering
Assets tested	€1,541 million	€2,036 million
Base used for the recoverable amount	Value in use	Value in use
Source used	5-year plan and indefinite projection of a normative year	Updated 5-year plan and indefinite projection of a normative year
Discount rate (minimum - maximum)	8.0% - 8.9%	8.2% - 9.1%
Long-term growth rate	2.00%	2.00%

As at 31 December 2013, the annual impairment test corroborated the carrying amount of the CGU assets. No additional impairment was recognised. Sensitivity tests conducted on the discount (± 100 bp), organic growth and gross profit rates will likely support the analysis.

As at 31 December 2012, an impairment of €300 million was recognised, the recoverable amount being lower than the asset tested. Out of this total impairment amount, €279 million was allocated to goodwill and €21 million to intangible assets involving customers and brands.

Sensitivity tests conducted on the discount rate (±50 bp) resulted in a change in the amount of the impairment loss for approximately ±€130 million. Sensitivity tests conducted on the activity's gross profit reveal that a change of ±25 bp on this rate over a standard year would have a ±€150 million impact on the impairment loss.

The assessment, which was carried out in the context of deteriorated economic environment, represents the Group's best estimate as at 31 December 2013.

8.1.2. Keolis/EFFIA CGU

Of the total goodwill, €445 million (€430 million as at 31 December 2012) was allocated to the Keolis/ EFFIA Cash-Generating Unit, which comprises all activities included in the passenger multimodal transport solutions of the SNCF Proximités division. The indefinite life intangible assets allocated to this CGU amounted to €104 million (€123 million as at 31 December 2012), primarily comprising trade names. This CGU is tested for impairment at least once annually.

The following assumptions were used to determine the recoverable amount:

	2013	2012
Segment	SNCF Proximités	SNCF Proximités
CGU	Keolis/EFFIA	Keolis/EFFIA
Assets tested	€1,381 million	€1,200 million
Base used for the recoverable amount	Value in use	Value in use
Source used	5-year plan and indefinite projection of a normative year	5-year plan and indefinite projection of a normative year
Discount rate (minimum - maximum)	6.7% - 7.5%	6.8% - 7.5%
Long-term growth rate	2.00%	2.00%

No impairment was recognised, as the recoverable amount exceeded the value of the tested asset. Sensitivity tests conducted on the discount (± 100 bp), organic growth and gross profit rates will likely support the analysis conducted.

8.1.3. Asset Management CGU

Of the total goodwill, €248 million (€250 million as at 31 December 2012) was allocated to the asset management Cash-Generating Unit, which comprises all activities included in the leasing of freight transport equipment (wagons, containers, etc.). This CGU is tested for impairment at least once annually.

The following assumptions were used to determine the recoverable amount:

	2013	2012
Segment	SNCF Geodis	SNCF Geodis
CGU	Asset Management	Asset Management
Assets tested	€1,366 million	€1,332 million
Base used for the recoverable amount	Value in use	Value in use
Source used	5-year plan and indefinite projection of a normative year	5-year plan and indefinite projection of a normative year
Discount rate (minimum - maximum)	6.0% - 6.6%	6.6% - 7.2%
Long-term growth rate	2.00%	2.00%

No impairment was recognised, as the recoverable amount exceeded the value of the tested asset. Sensitivity tests conducted on the discount (± 100 bp), organic growth and gross profit rates will likely support the analysis conducted.

8.2. CGUS WITH INDICATIONS OF IMPAIRMENT OR IMPAIRMENT REVERSAL

8.2.1. Rail Freight CGU

Within the SNCF Geodis division, the Fret SNCF activity breaks down into four CGUs to reflect the new organisation set up as part of the master development plan released to the public in September 2009 and rolled-out in the first half of 2010. In the absence of any improvement for the Rail Freight CGU, the asset impairment continues. The company's rolling stock is impaired based on usage:

— if the equipment has not been allocated or if the equipment's allocated CGU generates negative cash flows:
– 100% impairment of rolling stock that has no market value;
– net carrying amount written down to the market value if the latter is lower.
– if the equipment's allocated CGU generates positive cash flows, the rolling stock is not impaired.

In the absence of any improvement for the Rail Freight CGU, the asset impairment continues. However, in 2013, a net impairment reversal of €29 million was recorded due to the higher amount of impaired asset disposals than new impairment losses. As at 31 December 2012, the net reversal amounted to €17 million. As at 31 December 2013, the net carrying amount of this CGU's production resources (all intangible assets and property, plant and equipment excluding land and buildings) amounted to €460 million, or €974 million less than the net carrying amount that would have been obtained had this rolling stock never been impaired (€1,073 million as at 31 December 2012).

At this stage, the Group considers that this impairment level represents the best estimate of impairment losses to be recognised.

In addition, the spare parts inventory for Fret SNCF equipment was impaired for 70% of its value, i.e. €31 million as at 31 December 2013 (€33 million as at 31 December 2012).

8.2.2. Other CGUs as at 31 December 2013

8.2.2.1. SNCF Infrastructure – Works and Maintenance CGU

Due to the absence of a long-term horizon and unfavourable results, the assets of this CGU have been 100% impaired since 2009. The impairment loss recognised for SNCF Infrastructure in 2012 amounted to €152 million. Following the favourable indices observed in the first half of 2013, a net income of €546 million was recorded during the period (see Note 3). The impairment reversal essentially covers property, plant and equipment.

The values for property, plant and equipment and intangible assets tested and the assumptions used to determine the recoverable amount were as follows as at 31 December 2013:

	2013
Segment	SNCF Infra
CGU	SNCF Infrastructure – Works and Maintenance
Assets tested	€431 million
Base used for the recoverable amount	Value in use
Source used	5-year plan and indefinite projection of a normative year
Discount rate (minimum - maximum)	5.2% - 5.9%
Long-term growth rate	2.00%

Sensitivity tests conducted on the discount (± 50 bp), growth (± 50 bp) and gross profit rates will likely support the analysis conducted.

8.2.2.2. TGV France and Europe (excluding Eurostar) CGU

As at 31 December 2013, SNCF identified an indication of impairment for the TGV France and Europe (excluding Eurostar) CGU based on new events: higher rail network access fees, reduced growth in traffic income combined with the impact of competition from other types of transport (low-cost flights, car pooling, etc.), the arrival of new TGV2N2 trains, and the order of new rolling stock in 2013, high-speed train services which have shown a tendency to be less profitable due to very high infrastructure costs and, conversely, a greater number of services (see Note 3). Due to the indications of impairment, the assets of this CGU were tested at the year-end, in accordance with IAS 36 "Impairment of assets."

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

	2013
Segment	SNCF Voyages
CGU	TGV France and Europe (excluding Eurostar)
Assets tested	€4,566 million
Base used for the recoverable amount	Value in use
Source used	5-year plan and indefinite projection of a normative year
Discount rate (minimum - maximum)	7.9% - 9.1%
Long-term growth rate	2.00%

An impairment loss of €1,400 million was recognised as at 31 December 2013, the recoverable amount determined based on the above data being lower than the asset tested.

The impairment loss signifies that to date, given the outlook of the "Excellence 2020" Strategic Plan and the Group's best estimates, the activity is not sufficiently profitable to cover the carrying amount of its fleet and its renewal.

Sensitivity tests conducted on the discount rate (±50 bp) resulted in a change in the amount of the impairment loss for approximately ±€250 million. Sensitivity tests conducted on the activity's gross profit reveal that a change of ±50 bp of this rate over the entire period would have a ±€300 million impact on the impairment loss.

No goodwill or indefinite life intangible assets were allocated to this CGU. The impairment losses determined following testing primarily concerned property, plant and equipment. Accordingly, they can be reversed, contrary to those recognised on goodwill. At each future year-end, the Group will assess, taking into account the prevailing economic conditions, where there are indications of an impairment reversal, i.e. indications showing that the losses recognised are likely to no longer exist or be reduced. Should there be such indications, the recoverable amount of the assets of this CGU will be re-assessed to determine whether these assets have recovered their service potential.

8.2.3. Other CGUs as at 31 December 2012

As at 31 December 2012, no significant CGUs presented an impairment loss or reversal with material impacts on the Group consolidated income statement.

9. NET PROCEEDS FROM ASSET DISPOSALS

Asset disposals had the following impacts on profit or loss:

In € millions	31/12/2013	31/12/2012	Change
Disposal of intangible assets	0	-4	4
Disposal of property, plant and equipment	163	132	31
Total net proceeds from asset disposals	v180	207	-26
Résultat de cession d'actifs	**180**	**207**	**-26**

As at 31 December 2013, net proceeds from the disposal of property, plant and equipment primarily concerned the sales of various complexes and properties by the parent company for €114 million (as was the case at 31 December 2012), and ICF-NOVEDIS for €30 million.

10. NET BORROWING COSTS

Net borrowing costs break down as follows:

In € millions	31/12/2013	31/12/2012	Change
Net changes in fair value and hedges	64	-8	73
Net interest expense	-290	-291	1
Other interest expense and income	5	-11	15
Net borrowing and other costs	**-221**	**-310**	**89**

In € millions	31/12/2012	31/12/2011	Change
Interest expense	-653	-1,111	458
Interest income	432	801	-369
Net borrowing and other costs	**-221**	**-310**	**89**

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

11. INCOME TAX EXPENSE

11.1. ANALYSIS OF THE INCOME TAX EXPENSE

11.1.1. Tax in the income statement

In € millions	31/12/2013	31/12/2012	Change
Current tax (expense)/income	-172	-422	250
Deferred tax (expense)/income	5	76	-71
Total	**-166**	**-346**	**179**

As at 31 December 2013, the decrease in the current tax expense was primarily due to the tax loss of the SNCF tax consolidation group.

The tax on the profits of rail companies is stable at €200 million as at 31 December 2013, compared to €200 million as at 31 December 2012 (see Note 1.1.2.3); this tax had a negative €131 million tax proof impact on "Differences in tax rates and tax credits" in 2013 (€131 million in 2012).

The Amending Finance Law for 2012 and Finance Act for 2013 provide for the following new measures:

— With respect to tax loss carry-forwards, the allocation of prior losses to the income recognised for a fiscal year is now capped at €1 million plus 50% of the taxable income of the fiscal year exceeding this initial limit. The portion of the loss that cannot be deducted from income due to the application of these provisions can still be allocated to subsequent fiscal years, under the same conditions and for an unlimited period of time.

— Only 85% of the net financial expenses obtained according to a calculation defined by the Amending Finance Law are deductible from taxable income for 2012 and 2013. The rate will drop to 75% as from 2014.

— An additional 3% corporate income tax contribution on dividends paid outside of the tax consolidation group as from 1 August 2012. The contribution falls under "Differences in tax rates and tax credits" in the tax proof. The impact recorded under the "Income tax expense" heading was immaterial in 2012 and 2013.

— A Competitiveness and Employment Tax Credit (CICE) was set up to finance and improve the competitiveness of French companies and came into effect as from 1 January 2013 (see Note 1.1.2.3). There is a positive impact of €74 million in "Differences in tax rates and tax credits" in the tax proof.

11.1.2. Tax in comprehensive income

In 2013, the deferred tax expense recognised in other comprehensive income amounted to €2 million.

In 2012, a deferred tax gain of €13 million was recognised in other comprehensive income mainly regarding actuarial gains and losses arising from employee defined benefit plans.

11.2. TAX PROOF

In € millions	31/12/2013	31/12/2012
Consolidated net profit/(loss) for the year	**-162**	**398**
Share of net profit of associates	9	54
Net profit/(loss) before tax of discontinued operations	0	0
Corporate income tax	-166	-346
Net profit/(loss) before tax from ordinary activities and before the share of net profit of companies consolidated under the equity method	**-5**	**690**
Income tax rate applicable in France	34.43%	34.43%
Theoretical income tax (expense)/income	**2**	**-238**
Permanent differences	-8	-203
Capitalisation of prior year losses	-2	224
Tax losses and temporary differences of the period not capitalised	-70	-9
Impairment of deferred taxes previously capitalised	0	0
Utilisation of tax losses and temporary differences not previously capitalised	-24	-1
Differences in tax rates and tax credits	-61	-120
Prior year adjustments	0	0
Impacts of exchange rate fluctuations	-3	-1
Income tax (expense)/income recorded	**-166**	**-346**
Effective rate	**-3,392.80%**	**50.07%**

11.3. DEFERRED TAX SOURCES

SNCF has opted for the tax grouping regime since 1 July 1988. As at 31 December 2013, the reported tax group comprised 252 subsidiaries, including SNCF Participations, Ermewa Ferroviaire and a certain number of French Geodis subsidiaries.

Group tax losses carried forward as at 31 December 2013 amounted to €5.9 billion, compared to €4.8 billion as at 31 December 2012. Tax assets not recognised at this date totalled €3 billion (€2.8 billion as at 31 December 2012).

In € millions	31/12/2012	Net profit	Equity	Reclassification	Change in consolidation scope and foreign exchange	31/12/2013
Tax losses carried forward	**1,575**	**393**	**0**	**0**	**-34**	**1,934**
Employee benefits	*486*	*-283*	*-147*	*-1*	*0*	*54*
Differences in asset values	*-32*	*-37*	*5*	*0*	*1*	*-63*
Finance leases	*-29*	*3*	*0*	*0*	*0*	*-27*
Tax-driven provisions	*-102*	*-13*	*0*	*-7*	*0*	*-121*
Financial instruments	*-27*	*-11*	*-18*	*21*	*5*	*-29*
Remeasurement of identifiable assets and liabilities acquired in business combinations	*-253*	*18*	*-2*	*1*	*0*	*-235*
Internal profits and losses	*94*	*0*	*-3*	*0*	*0*	*89*
Total consolidation restatements	**135**	**-324**	**-165**	**15**	**5**	**-332**
Non-deductible provisions and other tax differences	**1,855**	**128**	**63**	**118**	**-3**	**2,160**
Deferred taxes not recognised	**-2,814**	**-192**	**100**	**-132**	**31**	**-3,006**
Net deferred taxes recognised	**751**	**5**	**-1**	**1**	**0**	**756**
Deferred tax assets	955					994
Deferred tax liabilities	204					238
Deferred taxes net balance sheet	**751**					**756**

12. GOODWILL

Movements in goodwill during 2013 break down as follows:

In € millions	Gross value	Impairment	Gross value
As at 1 January 2012	**1,739**	**-91**	**1,648**
Acquisitions / increases	8	0	8
Impairment losses	0	-279	-279
Removals / decreases	-5	5	0
Translation	-5	0	-5
Other changes in consolidation scope	-5	-3	-8
As at 31 December 2012	**1,731**	**-368**	**1,363**
As at 1 January 2013	**1,731**	**-368**	**1,363**
Acquisitions / increases	5	0	5
Impairment losses	0	0	0
Removals / decreases	-12	0	-12
Translation	-17	1	-16
Other changes in consolidation scope	14	0	14
As at 31 December 2013	**1,722**	**-368**	**1,354**

Acquisitions in 2013 primarily concerned Trimi in the Proximités division, and Ecolutis and Expretio in the Voyages division. Removals essentially involved the sale of Findworks Technologies.

Acquisitions in 2012 primarily involved MF Cargo, Burger Feron and BEnga in the SNCF Geodis division. The rise in impairment was mainly attributable to the impairment loss recorded for the Global Offering CGU within the SNCF Geodis division.

The main goodwill balances recorded by the Group at the balance sheet date are as follows:

In € millions	31/12/2013	31/12/2012	Change
SNCF Proximités	445	430	15
SNCF Voyages	12	19	-7
SNCF Geodis	894	911	-16
of which Global Offering	*636*	*652*	*-16*
of which Asset Management	*248*	*250*	*-1*
of which Other rail companies	*10*	*9*	*1*
Common operations and investments	3	3	0
Total	**1,354**	**1,363**	**-9**

13. INTANGIBLE ASSETS

Group intangible assets mainly comprise purchased software licences, software developed in-house, leasehold rights, customer portfolios and trade names purchased at the time of acquisitions.

Movements in intangible assets during 2013 break down as follows:

In € millions	01/01/2013	Acquisitions / Charges	Disposals / Reversals	Change in consolidation scope	Other changes	31/12/2013
Gross carrying amount						
Concessions, patents, software	1,035	35	-44	0	176	1,202
Other intangible assets	1,114	16	-6	0	-33	1,090
Intangible assets in progress	205	125	0	0	-164	166
Concession intangible assets	126	0	0	0	8	134
Total gross carrying amount	**2,479**	**176**	**-49**	**-1**	**-13**	**2,592**
Amortisation / impairment						
Concessions, patents, software	-742	-164	75	0	-3	-835
Other intangible assets	-306	-125	4	0	3	-423
Intangible assets in progress	-20	0	17	0	3	0
Concession intangible assets	-64	-15	0	0	5	-74
Total amortisation / impairment	**-1,132**	**-304**	**95**	**0**	**8**	**-1,333**
Total net carrying amount	**1,347**	**-128**	**46**	**0**	**-5**	**1,260**

Acquisitions for 2013 include software developed in-house, either already brought into service or still under development, of which €95 million for the parent company.

Movements in intangible assets during 2012 break down as follows:

In € millions	01/01/2012	Acquisitions / Charges	Disposals / Reversals	Change in consolidation scope	Other changes	31/12/2012
Gross carrying amount						
Concessions, patents, software	907	32	-41	0	136	1,035
Other intangible assets	1,167	26	-2	21	-99	1,114
Intangible assets in progress	149	160	0	0	-104	205
Concession intangible assets	53	0	0	0	73	126
Total gross carrying amount	**2,276**	**218**	**-43**	**22**	**6**	**2,479**
Amortisation / impairment						
Concessions, patents, software	-638	-152	37	0	11	-742
Other intangible assets	-252	-97	1	0	43	-306
Intangible assets in progress	-20	0	0	0	0	-20
Concession intangible assets	-13	-12	0	0	-39	-64
Total amortisation / impairment	**-923**	**-262**	**38**	**0**	**15**	**-1,132**
Total net carrying amount	**1,354**	**-44**	**-5**	**22**	**21**	**1,347**

Acquisitions for 2012 include software developed in-house, either already brought into service or still under development, of which €110 million for the parent company.

The increase in amortisation and impairment primarily reflects the amortisation charge for the period. Changes in value due to foreign currency translation are of little significance.

14. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during 2013 break down as follows:

In € millions	01/01/2013	Acquisitions / Charges	Disposals / Reversals	Change in consolidation scope	Other changes	31/12/2013
Gross carrying amount						
Land	2,148	2	-41	0	79	2,188
Buildings	9,086	37	-130	19	164	9,176
Industrial and technical plant	2,979	23	-111	-2	207	3,097
Transportation equipment	30,481	1,361	-434	12	59	31,479
Rail equipment	*29,201*	*1,234*	*-306*	*0*	*61*	*30,190*
Non-rail equipment	*1,280*	*127*	*-128*	*12*	*-5*	*1,286*
Maritime equipment	*0*	*0*	*0*	*0*	*2*	*2*
Other property, plant and equipment	1,456	50	-86	0	101	1,521
Property, plant and equipment in progress	829	848	0	0	-615	1,062
Total gross carrying amount	**46,979**	**2,321**	**-802**	**30**	**-6**	**48,523**
Depreciation/impairment						
Land	-262	-39	22	0	0	-279
Buildings	-4,834	-346	136	0	31	-5,013
Industrial and technical plant	-1,864	-188	272	0	-10	-1,789
Transportation equipment	-18,880	-2,481	636	-9	13	-20,721
Rail equipment	*-18,058*	*-2,368*	*534*	*0*	*0*	*-19,893*
Non-rail equipment	*-821*	*-112*	*101*	*-9*	*14*	*-828*
Maritime equipment	*0*	*0*	*0*	*0*	*0*	*0*
Other property, plant and equipment	-1,010	-166	137	0	2	-1,037
Property, plant and equipment in progress	-74	-6	63	0	10	-7
Total depreciation/impairment	**-26,923**	**-3,225**	**1,266**	**-10**	**46**	**-28,846**
Total net carrying amount	**20,056**	**-904**	**464**	**20**	**41**	**19,677**
Investment grants	4,660	360	-350	0	0	4,670
Total net carrying amount net of grants	**15,396**	**-1,263**	**814**	**20**	**41**	**15,007**

Movements in property, plant and equipment during 2012 break down as follows:

In € millions	01/01/2012	Acquisitions / Charges	Disposals / Reversals	Change in consolidation scope	Other changes	31/12/2012
Gross carrying amount						
Land	2,065	7	-35	1	110	2,148
Buildings	8,866	24	-243	8	432	9,086
Industrial and technical plant	2,879	38	-143	3	202	2,979
Transportation equipment	31,156	1,039	-1,769	28	26	30,481
Rail equipment	*29,929*	*918*	*-1,640*	*2*	*-9*	*29,201*
Non-rail equipment	*1,227*	*121*	*-129*	*26*	*35*	*1,280*
Maritime equipment	*0*	*0*	*0*	*0*	*0*	*0*
Other property, plant and equipment	1,388	55	-76	13	76	1,456
Property, plant and equipment in progress	944	774	0	-1	-889	829
Total gross carrying amount	**47,299**	**1,937**	**-2,266**	**52**	**-42**	**46,979**
Depreciation/impairment						
Land	-227	-40	4	0	2	-262
Buildings	-4,651	-341	151	0	7	-4,834
Industrial and technical plant	-1,821	-210	143	-1	25	-1,864
Transportation equipment	-18,366	-1,173	640	-12	32	-18,880
Rail equipment	*-17,588*	*-1,055*	*534*	*-2*	*52*	*-18,058*
Non-rail equipment	*-779*	*-118*	*106*	*-11*	*-20*	*-821*
Maritime equipment	*0*	*0*	*0*	*0*	*0*	*0*
Other property, plant and equipment	-936	-128	73	-4	-16	-1,010
Property, plant and equipment in progress	-60	-18	4	0	-1	-74
Total depreciation/impairment	**-26,061**	**-1,910**	**1,015**	**-17**	**49**	**-26,923**
Total net carrying amount	**21,238**	**27**	**-1,251**	**35**	**7**	**20,056**
Investment grants	5,091	303	-772	1	37	4,660
Total net carrying amount net of grants	**16,147**	**-276**	**-479**	**33**	**-30**	**15,396**

Assets made available by the French State, without transfer of title, are recorded in the SNCF Group balance sheet and amounted to €550 million (€556 million in 2012) for land and €565 million (€647 million in 2012) for buildings and upgrades.

A breakdown of depreciation charges and impairment losses recorded in the income statement is presented in Notes 7 and 8. Charges and reversals are affected by the impairment loss on the "TGV France and Europe (excluding Eurostar)" CGU and the reversal for the "SNCF Infrastructure – Works and Maintenance" CGU (see Note 3).

Capital expenditure flows for 2013 and 2012 break down as follows:

In € millions	31/12/2013	31/12/2012
Intangible assets	-176	-218
Property, plant and equipment	-2,321	-1,937
Total acquisitions	**-2,497**	**-2,155**
incl. fixed assets held as finance-leasing	*-60*	*-16*
Acquisitions excluding finance-leasing	**-2,437**	**-2,139**
Capital expenditure flows	196	3
Intangible assets and PP&E capital expenditure flows	**-2,241**	**-2,136**

Capital expenditure for 2013 primarily comprised:

— upgrades to stations and buildings and acquisitions for a total of €741 million (including upgrades to the multimodal exchange hubs in Montpellier Saint-Roch, Pompadour, Toulon, Cannes, Besançon Viotte, Rennes, Orléans and Brive; renovation of the Nantes-Châteaubriant, Paris-Lyon and Bordeaux Saint-Jean stations; implementation of the TGV master development plan (Nice and Bordeaux, development of garage and maintenance capacities and operating method); upgrades to the new SNCF headquarters in Saint Denis; purchase of land in the Batignolles district and replacement of track-to-train radio communication systems with GSMR technology;

— acquisition and renovation of rail equipment totalling €1,197 million (of which acquisition of TGV Duplex and TGV Euroduplex trains, rail freight locomotives, wagons, trans-containers and small containers, renovation of TGVs, locomotives, passenger trains, electrical railcars, locotractors and wagons).
Asset-financing grants received totalled €360 million, including €185 million for rolling stock and €175 million for fixed installations.

Capital expenditure for 2012 primarily comprised:

— upgrades to stations and buildings and acquisitions for a total of €682 million (including upgrades to the multimodal exchange hubs in Montpellier Saint-Roch and Toulon, extension of the Nice Saint-Roch TGV maintenance centre, renovation of the Paris-Lyon and Nantes-Châteaubriant stations, construction of the second building at the Lyon-Guillotière technicentre, replacement of the track-to-train radio communication systems with GSMR technology);

— acquisition and renovation of rail equipment totalling €916 million (of which TGV Duplex and TGV Dayse trains, Freight and Akiem diesel locomotives, wagons, trans-containers and small Ermewa containers.

Asset-financing grants received totalled €303 million, including €177 million for rolling stock and €126 million for fixed installations.

Assets recorded in property, plant and equipment and held under finance lease agreements break down as follows:

			31/12/2013			31/12/2011
In € millions	**Gross carrying amount**	**Depreciation & impairment**	**Net carrying amount**	**Gross carrying amount**	**Depreciation & impairment**	**Net carrying amount**
Carrying amounts net of grants						
Land	24	0	24	25	-1	24
Buildings	372	-228	144	387	-223	165
Industrial and technical plant	28	-21	7	32	-24	8
Transportation equipment	2,703	-1,519	1,185	3 521	-1 846	1 675
Other property, plant and equipment	16	-15	1	16	-14	2
Property, plant and equipment in progress	0	0	0	0	0	0
Total	**3,142**	**-1,782**	**1,360**	**3,981**	**-2,107**	**1,874**

15. FINANCIAL ASSETS

Financial assets maturing in less than 12 months at the balance sheet date are recorded in "Current financial assets".

The fair value of asset derivative instruments is classified in current and non-current assets based on the final maturity of the derivative.

The fair value amounts on derivative instruments include accrued interest receivable.

Current and non-current financial assets and the fair value measurement levels break down as follows:

							31/12/2013
In € millions	**Note**	**Non-current**	**Current**	**Total**	**Level 1**	**Level 2**	**Level 3**
Loans and receivables		4,192	754	4,947	0	0	0
RFF receivable	*15.1*	*1,190*	*30*	*1,221*	*0*	*0*	*0*
Public Debt Fund receivable	*15.2*	*1,637*	*46*	*1,684*	*0*	*0*	*0*
Other loans and receivables	*15.4*	*529*	*571*	*1,100*	*0*	*0*	*0*
Concession financial assets	*15.5*	*835*	*107*	*942*			
Available-for-sale assets		241	0	241	177	0	65
Assets at fair value through profit or loss		0	256	256	0	255	0
Positive fair value for hedging derivatives	24	564	19	583	0	583	0
Positive fair value of trading derivatives	24	463	88	551	0	551	0
Financial assets		**5,461**	**1,118**	**6,578**	**178**	**1,389**	**65**

							31/12/2012
In € millions	**Note**	**Non-current**	**Current**	**Total**	**Level 1**	**Level 2**	**Level 3**
Loans and receivables		3,729	2,803	6,532	0	0	0
RFF receivable	*15.1*	*1,203*	*451*	*1,654*	*0*	*0*	*0*
Public Debt Fund receivable	*15.2*	*1,521*	*1,340*	*2,861*	*0*	*0*	*0*
Other loans and receivables	*15.4*	*295*	*933*	*1,227*	*0*	*0*	*0*
Concession financial assets	*15.5*	*710*	*79*	*789*			
Available-for-sale assets		236	120	356	127	0	229
Assets at fair value through profit or loss		0	126	126	0	126	0
Positive fair value for hedging derivatives	24	614	25	639	0	639	0
Positive fair value of trading derivatives	24	665	85	750	0	750	0
Financial assets		**5,243**	**3,159**	**8,402**	**127**	**1,515**	**229**

For financial assets recognised at fair value in the balance sheet, the fair value hierarchy is shown by category of financial asset and comprises the following three levels under IFRS 7:

— Level 1: fair value measured using quoted prices.

— Level 2: fair value measured using inputs other than quoted prices that are observable directly or indirectly on the market.

— Level 3: fair value determined using valuation techniques not based on observable market data.

UCITS included in assets at fair value through profit or loss are valued at their net asset value on the balance sheet date.

Available-for-sale assets comprise non-consolidated investments for €241 million (€236 million as at 31 December 2012) and short and medium-term investments (see Note 15.3).

15.1. RÉSEAU FERRÉ DE FRANCE RECEIVABLE

The principles governing the measurement and recognition of this receivable are presented in Note 2.11.4.1. The fair value was determined by applying fair value hierarchy level 2.
The receivable breaks down as follows:

			31/12/2013			31/12/2012
In € millions	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
At amortised cost	1,190	6	1,196	1,203	418	1,621
Accrued interest receivable		25	25		33	33
Total	**1,190**	**30**	**1,221**	**1,203**	**451**	**1,654**

Fair value of the RFF receivable		31/12/2013		31/12/2012
In € millions	**Fair value**	**Net carrying amount**	**Fair value**	**Net carrying amount**
RFF receivable	1,614	1,221	2,108	1,654

The maturity schedule based on year-end exchange and interest rates is as follows:

		31/12/2013		31/12/2012
In € millions	**Nominal**	**Interest**	**Nominal**	**Interest**
Less than 1 year	6	65	418	94
1 to 2 years	373	66	6	65
2 to 3 years	142	58	377	65
3 to 4 years	6	55	144	58
4 to 5 years	5	55	6	55
More than 5 years	665	273	670	327
Total	**1,196**	**571**	**1,620**	**664**

15.2. PUBLIC DEBT FUND RECEIVABLE

The fair value and net carrying amount of this receivable are as follows. The net carrying amounts do not include derivative instruments. The fair value was determined by applying fair value hierarchy level 2.

		31/12/2013		31/12/2012
En millions d'euros	**Fair value**	**Net carrying amount**	**Fair value**	**Net carrying amount**
Public debt fund receivable	2,184	1,684	3,440	2,861

The maturity schedule based on year-end exchange and interest rates is as follows:

		31/12/2013		31/12/2012
In € millions	**Nominal**	**Interest**	**Nominal**	**Interest**
Less than one year	0	103	1,129	174
1 to 2 years	102	103	0	104
2 to 3 years	0	99	114	104
3 to 4 years	0	99	0	99
4 to 5 years	0	99	0	99
More than 5 years	1,407	439	1,407	537
Total	**1,509**	**941**	**2,651**	**1,117**

15.3. MEDIUM-TERM ASSETS

There are no longer any medium-term assets as at 31 December 2013 (€113 million as at 31 December 2012 maturing in less than one year).

15.4. OTHER LOANS AND RECEIVABLES

Other loans and receivables held by the Group break down as follows:

			31/12/2013			31/12/2012
In € millions	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Cash collateral assets	0	506	506	0	864	864
Other loans and receivables [1]	529	65	594	295	69	363
Total	**529**	**571**	**1,100**	**295**	**933**	**1,227**

[1] Of which €9 million for pension assets (€3 million as at 31 December 2012).

15.5. CONCESSION FINANCIAL ASSETS

The interest income arising from concession financial assets recognised under revenue totalled €43 million as at 31 December 2013 (€79 million as at 31 December 2012).

16. INVESTMENTS IN COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

The Group holds several investments in joint ventures and associates, consolidated under the equity method.

The movements in the heading over the year break down as follows:

In € millions	**31/12/2013**	**31/12/2012**
As at 1 January	**1,059**	**1,024**
Group share in net profit	46	76
Impairment	-37	-22
Share of net profit of companies consolidated under the equity method	9	54
Change in consolidation scope	34	1
Fair value and revaluation differences	22	0
Distribution	-51	-33
Exchange differences	-15	12
As at 31 December	**1,058**	**1,059**

There were no major changes in the scope of companies consolidated under the equity method in 2013.

16.1 SIGNIFICANT JOINT VENTURES

The joint ventures within Keolis comprise around twenty companies specialising in local passenger transport, the most significant of which operate in the UK. The Group's percentage control over these companies is between 35% and 50% (percentage interest of between 24% and 35%).

Eurostar International Limited (hereinafter "EIL"), which is 55% owned, operates long-distance passenger transport services between the UK, France, Germany and Benelux.

The summarised financial statements of significant joint ventures are shown at 100% and after cancellations of any internal profits.

In € millions		**31/12/2013**		**31/12/2012**
Statement of financial position	**Joint ventures within Keolis**	**EIL**	**Joint ventures within Keolis**	**EIL**
Cash and cash equivalents	364	278	479	234
Other current assets	539	195	480	189
Total current assets	**904**	**473**	**959**	**423**
Non-current assets	**138**	**928**	**111**	**967**
Current financial liabilities (excluding trade payables, other creditors and provisions)	166	8	252	8
Other current liabilities	823	199	706	200
Total current liabilities	**989**	**207**	**958**	**208**
Non-current financial liabilities (excluding trade payables, other creditors and provisions)	2	182	40	206
Other non-current liabilities	0	24	9	31
Total non-current liabilities	**3**	**206**	**49**	**236**
Net assets	**49**	**988**	**63**	**946**
Reconciliation of financial data with value of investments in companies consolidated under the equity method:				
Group share in net assets	**19**	**543**	**25**	**520**
Net carrying amount of investments in companies consolidated under the equity method	**19**	**543**	**25**	**520**

The operating companies of the Keolis activity in the UK are contractually required to have a certain level of cash and cash equivalents and comply with a Liquidity Maintenance Ratio in order to sustain the public service offering should one of the operators fail. The required amount corresponds to the activity's direct costs for a certain number of weeks until the term of the franchise. Because of this restriction, the liquidity in question is qualified as cash and cash equivalents that cannot be transferred to the Group. The item amounted to €88 million for the year ended 31 December 2013 (€108 million for the year ended 31 December 2012).

In € millions	31/12/2013		31/12/2012	
Income statement	**Joint ventures within Keolis**	**EIL**	**Joint ventures within Keolis**	**EIL**
Revenue	2,635	1,042	2,613	1,025
Operating profit/(loss)	**44**	**63**	**81**	**71**
Of which depreciation and amortisation	*-18*	*-94*	*-22*	*-78*
Finance cost	**-1**	**3**	**0**	**4**
Of which interest expense on debt	*-3*	*-4*	*-3*	*-1*
Of which revenue from financial assets	*3*	*0*	*4*	*0*
Income tax expense	**-10**	**-16**	**-21**	**35**
Net profit/(loss) from ordinary activities	**33**	**50**	**60**	**111**
Net profit/(loss) for the year	**33**	**50**	**60**	**111**
Group share in net profit/(loss)	**13**	**28**	**24**	**61**

In € millions	31/12/2013		31/12/2012	
Other information	**Joint ventures within Keolis**	**EIL**	**Joint ventures within Keolis**	**EIL**
Net profit/(loss) for the year	33	50	60	111
Other comprehensive income (net of tax)	19	12	12	-25
Total comprehensive income	**52**	**62**	**73**	**86**
Dividends paid to the Group	**27**	**11**	**19**	**4**

16.2 SIGNIFICANT ASSOCIATES

Systra is an entity comprising around thirty companies (percentage interest between 17% and 42%) specialising in rail engineering with operations worldwide.

Eurofima is a transnational company based in Basel, Switzerland, whose purpose is to finance rolling stock equipment (percentage interest of 22.6%).

NTV is a high-speed passenger transport company in Italy (percentage interest of 20%).

The summarised financial statements of significant associates are shown at 100% and after cancellations of any internal profits.

In € millions			31/12/2013			31/12/2012
Statement of financial position	**Systra**	**Eurofima**	**NTV**	**Systra**	**Eurofima**	**NTV**
Current assets	425	4,567	193	419	3,384	107
Non-current assets	48	17,898	677	39	22,591	748
Current liabilities	323	1,038	89	317	2,511	108
Non-current liabilities	26	20,167	691	22	22,192	682
Net assets	**123**	**1,259**	**90**	**118**	**1,272**	**65**
Reconciliation of financial data with value of investments in companies consolidated under the equity method:						
Group share in net assets	**52**	**285**	**18**	**50**	**287**	**14**
Goodwill	46	0	34	46	0	34
Other			-34			
Net carrying amount of investments in companies consolidated under the equity method	**97**	**285**	**18**	**95**	**287**	**48**

In € millions			31/12/2013			31/12/2012
Income statement	**Systra**	**Eurofima**	**NTV**	**Systra**	**Eurofima**	**NTV**
Revenue	443	0	246	405	0	89
Operating profit/(loss)	**22**	**-9**	**-104**	**6**	**0**	**-140**
Net profit/(loss) from ordinary activities	**9**	**28**	**-76**	**1**	**28**	**-83**
Net profit/(loss) from discontinued operations, net of tax	0	0	0			
Net profit/(loss) for the year	**9**	**28**	**-76**	**1**	**28**	**-83**
Group share in net profit/(loss)	**4**	**6**	**-15**	**1**	**6**	**-17**

In € millions			31/12/2013			31/12/2012
Other information	**Systra**	**Eurofima**	**NTV**	**Systra**	**Eurofima**	**NTV**
Net profit/(loss) for the year	9	28	-76	1	28	-83
Other comprehensive income (net of tax)	-1	-39	11	0	24	-1
Total comprehensive income	**8**	**-11**	**-65**	**1**	**52**	**-84**
Dividends paid to the Group	**1**	**0**	**0**	**0**	**0**	**0**

Items of property, plant and equipment purchased under finance leases through Eurofima were capitalised in the SNCF Group financial statements for a gross value of €1,109 million as at 31 December 2013 (€1,751 million as at 31 December 2012). The related financing liability amounted to €986 million as at 31 December 2013, compared to €1,149 million as at 31 December 2012. Eurofima's share capital was not entirely called up as at 31 December 2013. The callable share capital attributed to SNCF amounted to €383 million as at 31 December 2013 (€386.7 million as at 31 December 2012).

On this same date, the share of loans granted to members of countries whose sovereign debt is rated "non-investment grade" (i.e. rating granted by rating agencies of less than BBB-/Baa3) stood at €1,897 million or CHF 2,329 million (€1,651 million or CHF 1,992 million as at 31 December 2012). These loans are included in the non-current assets of the company's statement of financial position. In addition, Eurofima shareholders are jointly and severally liable for the undertakings falling under the financing agreements granted by Eurofima to the latter, each shareholder in proportion to its shareholding interest and the maximum amount thereof. This guarantee can only be called following a payment default by the borrower and the related State, which issued the guarantee and when the Eurofima guarantee reserve (CHF 588 million) is insufficient to cover the loss arising from the payment default. The maximum commitment of SNCF amounts to €479 million as at 31 December 2013 (€483.4 million as at 31 December 2012).

The French State guarantees all SNCF obligations towards Eurofima (the portion of share capital to be paid up, the fulfilment of financing agreements granted by Eurofima to SNCF and the guarantee granted by SNCF with respect to these financing agreements).

16.3 OTHER COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

The Group also holds interests in other joint ventures and associates which, considered individually, are immaterial.

The aggregate contributions of these companies to the Group's net profit are as follows:

En millions d'euros		31/12/2013		31/12/2012
Group share	**Immaterial joint ventures**	**Immaterial associates**	**Immaterial joint ventures**	**Immaterial associates**
Net profit/(loss) from ordinary activities	8	2	0	1
Net profit/(loss) from discontinued operations, net of tax	0	0	0	0
Net profit/(loss) for the year	8	2	0	1
Other comprehensive income (net of tax)	0	0	0	0
Total comprehensive income	8	2	0	1
Net carrying amount of investments in companies consolidated under the equity method	**59**	**35**	**46**	**35**

17. INVENTORIES AND WORK-IN-PROGRESS

As at 31 December 2013, inventories and work-in-progress break down as follows:

			31/12/2013		31/12/2012
In € millions	**Gross**	**Impairment**	**Net**	**Net**	**Change**
Raw materials	871	-141	731	728	3
Finished goods	260	0	260	245	15
Production work-in-progress	30	-2	27	17	10
Inventories and work-in-progress	**1,161**	**-143**	**1,018**	**990**	**28**

Movements in inventory impairment break down as follows:

In € millions	31/12/2012	Charges	Reversals	Reclassification	Change in scope	31/12/2013
Raw materials and supplies - impairment	-149	-28	37	0	0	-141
Finished goods – impairment	0	0	0	0	0	0
Production work-in-progress - impairment	-2	0	0	0	0	-2
Impairment of inventories	**-151**	**-29**	**37**	**0**	**0**	**-143**

18. OPERATING RECEIVABLES

Operating receivables as at 31 December 2013 break down as follows:

			31/12/2013		31/12/2012
In € millions	**Gross**	**Impairment**	**Net**	**Net**	**Change**
Trade receivables and related accounts	3,905	-161	3,744	3,699	45
Amounts receivable from the French State and local authorities	1,416	0	1,416	1,510	-94
Other operating receivables	2,402	-70	2,332	2,440	-108
Net operating receivables	**7,724**	**-231**	**7,493**	**7,649**	**-156**

Movements in impairments of trade receivables and other operating receivables were as follows in 2013 and 2012.

In € millions	31/12/2012	Charges	Reversals	Reclassifi-cation	Change in scope	Foreign exchange and other	31/12/2013
Trade receivables and related accounts – impairment	-152	-67	57	-1	0	2	-161
Other operating receivables – impairment	-69	-14	13	0	0	0	-70
Total	**-221**	**-81**	**70**	**-1**	**0**	**2**	**-231**

In € millions	31/12/2011	Charges	Reversals	Reclassifi-cation	Change in scope	Foreign exchange and other	31/12/2012
Trade receivables and related accounts – impairment	-149	-53	49	1	0	0	-152
Other operating receivables – impairment	-84	-17	29	4	0	0	-69
Total	-233	-70	78	4	-1	0	-221

Due to its business, Group exposure to credit risk is limited. Tickets are sold to passengers on a cash basis. In addition, the Group has significant relations with a number of public sector customers (RFF, regional authorities, RATP, STIF, armed forces, etc.). In the SNCF Geodis activity, dependence on customers is reduced by the number of the latter. In carrying out its transport and/or freight forwarding activities, the Group also has the right to hold the merchandise with which it is confided, which reduces the risk of non-payment for services. Finally, based on an assessment of customer credit risk, payment terms and conditions before transport may be determined to limit the risk of non-payment.

While receivables from these customers may be past due, there are no grounds for impairment. Receivables are impaired when the Group is in dispute with a customer or when the ability to recover the receivable in full is modified.

Trade receivables past due break down as follows (gross value):

31/12/2013			Past due but not impaired				
In € millions	Not past due	Impaired	< 3 months	4 to 6 months	7 to 12 months	> 12 months	Total
Trade receivables and related accounts	2,512	530	745	46	40	33	3,905
Total	2,512	530	745	46	40	33	3,905

31/12/2012			Past due but not impaired				
In € millions	Not past due	Impaired	< 3 months	4 to 6 months	7 to 12 months	> 12 months	Total
Trade receivables and related accounts	2,701	469	575	33	23	50	3,850
Total	2,701	469	575	33	23	50	3,850

19. CASH AND CASH EQUIVALENTS

In € millions	31/12/2013	31/12/2012	Change
Monetary mutual funds equivalent to cash and negotiable debt securities maturing in less than three months (*)	4,350	4,501	-151
Cash at bank and in hand	710	790	-80
Cash and cash equivalents in the statement of financial position	5,060	5,291	-230
Accrued interest payable	1	1	0
Current bank facilities	316	158	157
Cash and cash equivalents in the cash flow statement	4,744	5,131	-387

(1) Including deposits and commercial paper.

The Group considers the nominal value of negotiable debt securities recorded in cash and cash equivalents to be a reasonable estimate of their market value. The risk of changes in value is immaterial for these instruments. Monetary mutual funds equivalent to cash are stated at fair value and amounted to €3,466 million as at 31 December 2013 (€3,724 million as at 31 December 2012). The parent company contributed around 98% of the total consolidated amount of monetary mutual funds equivalent to cash and negotiable debt securities maturing in less than three months (100% as at 31 December 2012).

Net cash from operating activities posted a net inflow of €2,355 million in 2013 (€1,982 million in 2012), primarily generated from operations for €2,181 million (€1,852 million in 2012).

Net cash used in investing activities amounted to €1,619 million in 2013 (€669 million in 2012).

— The item essentially stems from:
– capital expenditure on intangible assets and property, plant and equipment in the amount of €2,241 million (€2,136 million in 2012), up by 5% compared to 2012 (see Note 14);
– new concession financial assets for €870 million, compared to €624 million in 2012.

— It is offset by:
– disposals of intangible assets and property, plant and equipment for €331 million in 2013 compared to €398 million in 2012;
– payments received from concession financial assets for €645 million in 2013 compared to €495 million in 2012 ;
– disposals of financial assets for €143 million in 2013 compared to €948 million in 2012, the change observed essentially arising from the transfer of concession financial assets at the end of 2012 and 2013 (see Note 28) ;

Net cash used in financing activities totalled €1,116 million in 2013 (in 2012, net cash of €365 million was generated by financing activities), and was primarily attributable to:

— cash liability repayments for €868 million (compared to an increase in cash liabilities for €1,056 million in 2012).

— borrowing repayments net of amounts received on the RFF and CDP receivables for €300 million (1,087 million in 2012); the amounts received on the RFF and CDP receivables totalling respectively €418 million (€209 million in 2012) and €1,132 million (€972 million in 2012);

— offset by new borrowings for €607 million (€1,128 million in 2012), of which €542 million for the Keolis Group and €41 million for the parent company (€945 million in 2012), including a €19 million EMTN bond issue (€925 million in 2012).

20. EQUITY

20.1. SHARE CAPITAL

As at 31 December 2013, the SNCF share capital primarily comprised:

— €2.2 billion in capital grants essentially representing the various cash contributions of the French State;

— €2.8 billion in property grants representing the various contributions in kind received from the French State.

On 1 January 1983, the State-owned industrial and commercial institution "Société Nationale des Chemins de fer Français" (SNCF) was created, pursuant to the French Orientation Law on Domestic Transport (LOTI) of 30 December 1982. The French State is the sole shareholder.

On the creation of the industrial and commercial public institution SNCF, the State-owned or private real estate assets previously given under concession to the semi-public limited liability company (created on 31 August 1937) which it succeeded were appropriated to it. These assets made available by the French State, without transfer of title, are recorded in the SNCF Group statement of financial position under the appropriate asset headings and offset in share capital for the same amount.

20.2. NON-CONTROLLING INTERESTS (MINORITY INTERESTS)

As at 31 December 2013, non-controlling interests break down according to the following sub-groups.

In € millions	31/12/2013	31/12/2012	Change
Geodis	10	10	0
STVA	4	5	-1
Ermewa	4	4	0
CapTrain	18	18	1
Keolis	53	63	-10
Other	10	5	5
Total	**99**	**104**	**-5**

The approval of Keolis' minority shareholders is required for divestments, disposals or restructurings exceeding a predefined threshold. The intangible assets and property, plant and equipment of this entity, net of investment grants, totalled €1,241 million as at 31 December 2013 (€1,192 million as at 31 December 2012).

21. EMPLOYEE BENEFITS

21.1 CHANGES IN THE NET OBLIGATION

In the tables following this note, the revenue presented with respect to 2012 follows the retrospective application to 1 January 2012 of IAS 19 revised and IFRS 10/11/12. Following the application of IFRS 10/11/12, the Keolis UK and Eurostar entities are now consolidated under the equity method, and the net obligation regarding the defined benefit plans is excluded from the total net liabilities (assets) presented in the Groupe SNCF balance sheet.

21.1.1. Breakdown of net liabilities (assets)

In € millions	31/12/2013	31/12/2012
Present value of the obligations	2,296	2,272
Fair value of plan assets	-73	-77
Net position of the plans	**2,223**	**2,195**
Effect of the asset ceiling	0	0
Net liabilities (assets) at closing date	**2,223**	**2,195**
Of which net liabilities recognised	2,223	2,195
Of which net assets recognised	0	1

21.1.2. Change in net liabilities (assets)

In € millions	31/12/2013	31/12/2012
Total net liabilities (assets) at opening date	**2,196**	**1,831**
Current service cost	125	89
Past service cost	0	-2
Effect of plan settlements	-4	0
Net financial interest	54	66
Actuarial gains and losses generated during the period	-6	333
Benefits paid to employees by the company	-139	-130
Employer's fund contribution	-4	-4
Effect of changes in Group structure	1	6
Foreign exchange impact	-1	0
Other	0	6
Total net liabilities (assets) at closing date	**2,223**	**2,196**

The significant decrease in the Eurozone discount rate between 2011 (3.80%) and 2012 (2.55%) generated the following impacts:

— substantial actuarial losses recorded in 2012 particularly for the post-employment benefit plans (€259 million in non-recyclable reserves);

— higher service cost in 2013: the 2012 service cost had been projected at the end of 2011 based on a discount rate of 3.80%, whereas the 2013 charge had been estimated based on a lower rate, i.e. 2.55%.

As the discount rate was unchanged in the Eurozone between 2012 and 2013 (i.e. 2.55%), few actuarial gains and losses were generated over the period with respect to changes in financial assumptions.

21.1.3. Breakdown by nature of liability

The Group's main employee benefit plans gave rise to the recognition of the following liabilities:

In € millions	31/12/2013	31/12/2012
Pensions and other similar benefits	260	263
Provident obligations	51	57
Social welfare initiatives	279	310
Compensation for work-related injuries	1,000	976
Liabilities relating to post-employment benefits	**1,590**	**1,607**
Compensation for work-related injuries	38	35
Long-service awards and other benefits	124	125
Gradual cessation of activity	408	385
Time savings account	62	44
Liabilities relating to other long-term benefits	**633**	**589**
Total liabilities	**2,223**	**2,196**
of which non-current	*2,044*	*2,047*
of which current	*180*	*149*

21.2 DESCRIPTION OF EMPLOYEE BENEFITS

21.2.1. Compensation for work-related injuries

SNCF Group self-finances the payment of compensation for work-related injuries to active and retired employees of the parent company, independently of the current general regime.

Life annuities are provided in full at the date of grant to injured employees without any seniority conditions. They represent long-term (active employees in a period of business) and post-employment benefits (retired employees).

21.2.2. Social welfare initiatives

The Group implements a number of social welfare initiatives for the personnel of the parent company: access to infrastructures, consultation of social workers, etc. Both active (short-term benefits) and retired employees (post-employment benefits) may benefit from these initiatives.

A provision in the amount of benefit granted to retired employees has been recognised.

21.2.3. Gradual cessation of activity

The gradual cessation of activity is a procedure used to adjust the work time of employees who have reached the end of their careers. A work-time formula is thus arranged so as to provide a transition period between professional activity and retirement. A new agreement effective in July 2008 offers the possibility of a gradual or complete cessation for the parent company personnel. The granting of benefits is based on a combination of criteria: years of service, arduousness and employee category. The agreement is treated as a long-term benefit in the consolidated financial statements pursuant to IAS 19.

The calculation is mainly based on the assumed proportion of agents to be covered by the procedure.

21.2.4. Other benefits granted

The provident plan concerns supplementary benefits for French parent company top executives not otherwise covered.

Through its subsidiaries, the Group participates in pension plans and other employee benefits in accordance with the laws and customs of each country where it is established and outside of the statutory pension plans governed by law. These benefits comprise end-of-career or retirement benefits and bonuses with respect to long-service awards (France), defined benefit pension plans (United Kingdom, Italy (TFR), Germany, the Netherlands, Sweden, Norway, Australia and Canada) and retiree health costs (Canada).

In France, pension benefits paid to an employee at the retirement date are determined in accordance with the national collective agreement or the company agreement in force in the entity. The two main collective agreements in force within the Group are as follows:

— urban public transport collective agreement (CCN_3099) within the Keolis subsidiaries;

— non-rail transport collective agreement (CCN_3085).

These plans can be partially funded.

In Italy, employees receive the Trattamento di Fine Rapporto di lavoro subordinato (TFR). This benefit, payable by the employer regardless of the reason for the contract's termination, takes the form of a single payment representing approximately 1/14th of the annual compensation per year of service. This plan is recorded as a post-employment benefit since the benefits are granted in respect of the service rendered during the working period.

21.3 MAIN ACTUARIAL ASSUMPTIONS USED

Provisions for employee obligations are calculated on an actuarial basis, using the projected unit credit method. The parameters used in the modelling of the main employee benefits are as follows:

21.3.1. SNCF parent company's main plans

	31/12/2013	31/12/2012
Discount rate	2.55%	2.55%
Inflation rate	2.00%	2.00%
Benefit remeasurement rate		
Provident obligations	*2.80%*	*2.80%*
Social welfare initiatives	*2.00%*	*2.00%*
Compensation for work-related injuries	*2.00%*	*2.00%*
Gradual cessation of activity	*2.80%*	*3.00%*
Retirement benefits and long-service awards	*2.80%*	*3.00%*
Mortality table		
Provident obligations and social welfare initiatives	*CPR H / CPRF*	*TGH 05 / TGF 05*
Active and retired employees with work-related injuries	*CPR AT*	*TD 88-90*
Widows of employees with work-related injuries	*CPR F*	*TGF 05*
Gradual cessation of activity	*CPR 80%H 20%F*	*TGF 05*
Retirement benefits and long-service awards	*CPR 80%H 20%F*	*Table TF00-02*
Taux d'adhésion au régime CPA	27,10%	24,50%

21.3.2. Other plans by geographical area

With respect to the plans granted by Group subsidiaries, the assumptions used for the principal monetary zones according to the plan terms are as follows:

			31/12/2013			31/12/2012
	Eurozone	UK	Sweden	Eurozone	UK	Sweden
Discount rate	2,55% 2,76% 2,81%	4,20%	4,00%	2,55% 2,90% 2,90%	4,00%	2,10%

21.3.3. Methodology for the calculation of the main actuarial assumptions

— Discount rate

As was the case on 31 December 2012, obligations relating to the main post-employment benefits were discounted at the closing date's market rate based on leading corporate bonds of comparable maturity. The benchmark used to determine the discount rate is Bloomberg AA for the Eurozone. The last two rates indicated correspond to the plans of the subsidiaries that apply the rail (Geodis) and freight transport collective agreements. The rate for Sweden and the UK solely concerns the plans covering the subsidiaries of the SNCF Geodis division.

— Mortality table

Since the second half of 2013, SNCF parent company social welfare initiatives and provident obligations have been measured using a prospective mortality table by sex specific to railway employees (special pension plan base). This table prepared by the Caisse de Prévoyance Retraite (provident pension fund) was validated by a certified actuary.
A table including a degradation coefficient was extrapolated for compensation for work-related injuries/illnesses. Based on the certified table, the mortality tables of the other plans were also modified.

These mortality table changes satisfy the requirement of the revised standard according to which mortality assumptions must reflect that of the plan members both during and after employment. Their update generated a net actuarial gain of €26 million in non-recyclable reserves and €12 million in finance cost.

— Gradual cessation of activity plan membership

The amount of the obligation under the gradual cessation of activity agreement was calculated using a membership assumption of 27.1% in 2013, and 24.5% in 2012. The updated rate generated an actuarial loss of €40 million in 2013. A 100 point increase or decrease in this assumption would have an impact of around €15 million on the obligation amount.

21.4. NET EXPENSE RECORDED IN PROFIT OR LOSS

Net expenses with respect to defined benefit plans are recorded in gross profit under "Employee benefits expense," except for the net interest expense and actuarial gains and losses relating to other long-term benefits recorded in "Finance cost".

The overall income statement expense for defined benefit schemes may be broken down as follows:

31/12/2013 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
Current service cost	18	1	5	50	45	6	125
Past service cost	0	0	0	0	0	0	0
Of which effect of plan amendments							*0*
Of which effect of plan curtailments							*0*
Effect of settlements on the obligation	-4	0	0	0	0	0	-4
Effect of curtailment / settlements on plan assets	1						1
Other	1	0	0	0	0	0	1
Gross profit	**16**	**1**	**5**	**50**	**45**	**6**	**123**
Plan net interest expense	7	1	8	25	10	2	54
Of which finance cost	*10*	*1*	*8*	*25*	*10*	*2*	*57*
Of which implicit return on plan assets	*-3*						*-3*
Of which interest on asset ceiling	*0*						*0*
Actuarial gains and losses generated during the year with respect to long-term benefits				0	29	-6	24
Other	0	0	0	0	0	0	0
Finance cost	**8**	**1**	**8**	**25**	**40**	**-4**	**78**
Total expense recognised	**23**	**3**	**13**	**75**	**84**	**2**	**200**

31/12/2012 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
Current service cost	15	1	4	29	31	9	90
Past service cost	-2	0	0	0	0	0	-2
Effect of settlements on the obligation	-1	0	0	0	0	0	-1
Effect of curtailment / settlements on plan assets	1						1
Other	0	0	0	0	0	0	0
Gross profit	**13**	**1**	**4**	**29**	**31**	**9**	**87**
Plan net interest expense	7	2	9	32	13	3	66
Of which finance cost	*10*	*2*	*9*	*32*	*13*	*3*	*69*
Of which implicit return on plan assets	*-3*						*-3*
Actuarial gains and losses generated during the year with respect to long-term benefits				2	64	8	74
Other	0	0	0	0	0	0	0
Finance cost	**7**	**2**	**9**	**34**	**77**	**11**	**140**
Total expense recognised	**20**	**3**	**13**	**64**	**108**	**20**	**227**

The expense recorded for defined benefit plans included in "Employee benefits expense" amounted to €1.6 billion in 2013 (€1.8 billion in 2012).

21.5. REMEASUREMENTS OF THE NET DEFINED LIABILITY (ASSET) BENEFIT IN EQUITY

As of 1 January 2013, given the application of IAS 19 revised and the elimination of the corridor method, the actuarial gains and losses generated over the period for post-employment benefits are immediately offset in non-recyclable reserves (equity). They are never transferred to profit or loss in subsequent years.

Actuarial gains and losses generated for other long-term benefits (compensation for work-related injuries of active employees over the period of service, long service awards, time-savings account and gradual cessation of activity) continue to be immediately recognised in finance costs over the period.

31/12/2013 **In € millions**	**Pensions and other similar benefits**	**Provident obligations**	**Social welfare initiatives**	**Compensation for work-related injuries**	**TOTAL**
(Losses) and gains					
Remeasurements at opening date	**-67**	**-11**	**48**	**-244**	**-273**
Actuarial gains and losses generated during the year with respect to obligations	9	7	31	-19	28
Actuarial gains and losses generated during the year with respect to plan assets	1				1
Actuarial gains and losses generated during the year with respect to reimbursement rights	0				0
Net changes in the effect of the asset ceiling	0				0
Foreign exchange impact	0				0
Other	0				0
Remeasurements at closing date	**-57**	**-4**	**79**	**-263**	**-243**

31/12/2012 **In € millions**	**Pensions and other similar benefits**	**Provident obligations**	**Social welfare initiatives**	**Compensation for work-related injuries**	**TOTAL**
(Losses) and gains					
Remeasurements at opening date	**-15**	**2**	**106**	**-105**	**-13**
Actuarial gains and losses generated during the year with respect to obligations	-50	-13	-58	-139	-259
Actuarial gains and losses generated during the year with respect to plan assets	1				1
Actuarial gains and losses generated during the year with respect to reimbursement rights	0				0
Net changes in the effect of the asset ceiling	0				0
Foreign exchange impact	-1				-1
Other	-3				-3
Remeasurements at closing date	**-67**	**-11**	**48**	**-244**	**-273**

(1) After add-back of actuarial gains and losses not recognised in the 31/12/2012 opening balance sheet and pursuant to the application of IAS19 revised and subsequent to application of IFRS 10/11/12.

21.6. CHANGES IN THE NET POSITION OF THE PLANS

21.6.1. Net obligation

Changes in the present value of obligations, the fair value of plan assets and the net liabilities (assets) for 2013 are as follows:

31/12/2013 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
Present value of the obligation at opening date	**339**	**57**	**310**	**1,011**	**430**	**125**	**2,272**
Current service cost	18	1	5	50	45	6	125
Employee contribution	0						0
Past service cost arising from a plan amendment	0	0	0	0	0	0	0
Past service cost arising from a plan curtailment	0	0	0	0	0	0	0
Effect of settlements	-4	0	0	0	0	0	-4
Finance cost	10	1	8	25	10	2	57
Actuarial gains and losses generated during the period	-9	-7	-31	19	29	-6	-5
Benefits paid to employees by the company	-11	-2	-13	-66	-43	-3	-139
Benefits paid by the fund	-4						-4
Effect of changes in Group structure	-4	0	0	0	0	0	-4
Foreign exchange impact	-3					0	-3
Other						0	0
Present value of the obligation at closing date	**333**	**51**	**279**	**1,038**	**471**	**124**	**2,296**
Of which present value of unfunded obligations	*209*	*51*	*279*	*1,038*	*471*	*124*	*2,172*
Of which present value of fully or partially funded obligations	*124*						*124*

31/12/2012 En millions d'euros	Pensions and other similar benefits
Fair value of plan assets at opening date	**77**
Implicit return on plan assets	3
Actuarial gains and losses generated during the period	1
Effect of curtailments and settlements	-1
Employer fund contribution	4
Employee fund contribution	0
Benefits paid by the fund	-4
Effect of changes in Group structure	-5
Foreign exchange impact	-2
Other	0
Fair value of plan assets at closing date	**73**

Effect of the asset ceiling at opening date	**0**
Change in effect of the asset ceiling	0
Interest expense on impact of the asset ceiling	0
Effect of the asset ceiling at closing date	**0**

31/12/2013 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
(+) Present value of the obligation at closing date	333	51	279	1,038	471	124	2,296
(-) Fair value of plan assets at closing date	-73	0	0	0	0	0	-73
(-) Effect of the asset ceiling at closing date	0	0	0	0	0	0	0
Liabilities (assets) at closing date	**260**	**51**	**279**	**1,038**	**471**	**124**	**2,223**
Assets available after effect of the asset ceiling	1						1
Total liabilities at closing date	**261**	**51**	**279**	**1,038**	**471**	**124**	**2,224**

Changes in the present value of obligations, the fair value of plan assets and the net liabilities (assets) for 2012 are as follows:

31/12/2012 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
Present value of the obligation at opening date	**275**	**45**	**253**	**872**	**356**	**100**	**1,901**
Current service cost	15	1	4	29	31	9	89
Employee contribution	1						1
Past service cost arising from a plan amendment	-2	0	0	0	0	0	-2
Past service cost arising from a plan curtailment	0	0	0	0	0	0	0
Effect of settlements	-1	0	0	0	0	0	-1
Finance cost	10	2	9	32	13	3	69
Actuarial gains and losses generated during the period	49	13	57	143	64	8	335
Benefits paid to employees by the company	-11	-2	-13	-66	-35	-3	-130
Benefits paid by the fund	-3						-3
Effect of changes in Group structure	5	0	0	0	0	2	7
Foreign exchange impact	1					0	1
Other						6	6
Present value of the obligation at closing date	**339**	**57**	**310**	**1,011**	**430**	**125**	**2,272**
Of which present value of unfunded obligations	*224*	*57*	*310*	*1,011*	*430*	*125*	*2,157*
Of which present value of fully or partially funded obligations	*116*						*116*

31/12/2012 In € millions	Pensions and other similar benefits
Fair value of plan assets at opening date	**70**
Implicit return on plan assets	3
Actuarial gains and losses generated during the period	1
Effect of curtailments and settlements	-1
Employer fund contribution	4
Employee fund contribution	1
Benefits paid by the fund	-3
Effect of changes in Group structure	0
Foreign exchange impact	1
Other	0
Fair value of plan assets at closing date	**77**

Effect of the asset ceiling at opening date	**0**
Change in effect of the asset ceiling	0
Interest expense on impact of the asset ceiling	0
Effect of the asset ceiling at closing date	**0**

31/12/2012 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account	Long-service awards and other benefits	TOTAL
(+) Present value of the obligation at closing date	339	57	310	1,011	430	125	2,272
(-) Fair value of plan assets at closing date	-77	0	0	0	0	0	-77
(-) Effect of the asset ceiling at closing date	0	0	0	0	0	0	0
Total closing liabilities (assets)	**262**	**57**	**310**	**1,011**	**430**	**125**	**2,195**
Assets available after effect of the asset ceiling	1						1
Total closing liabilities	**263**	**57**	**310**	**1,011**	**430**	**125**	**2,196**

21.6.2. Breakdown of plan assets

In € millions	31/12/2013	31/12/2012
Bonds	31	34
Shares	18	23
Real estate	3	3
Cash and cash equivalents	2	1
Other	20	17
Total fair value of plan assets	**73**	**77**
Of which active market	*73*	77

21.6.3. Reimbursement rights

Mainly in Germany, certain SNCF Geodis subsidiaries have reimbursement rights (€8 million as at 31 December 2013, compared to €2 million as at 31 December 2012), which are recognised at fair value as a separate asset in the statement of financial position. Actuarial gains and losses generated over the period with respect to these reimbursement rights are recognised immediately in non-recyclable reserves, under the same terms and conditions as the actuarial gains and losses arising from the plan assets.

21.6.4. Analysis of contributions payable to the pension fund in Y+1

Under plans totally or partially funded by plan assets (mainly in Anglo-Saxon countries), the contributions payable in fiscal 2014 by companies and/or beneficiaries break down as follows:

31/12/2013 In € millions	Pensions and other similar benefits
Employer fund contributions	1
Employee fund contributions	0
Total contributions payable	**2**

21.7 ANALYSIS BY NATURE OF ACTUARIAL GAINS AND LOSSES

21.7.1. Change and breakdown of actuarial gains and losses

31/12/2013 In € millions	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Post-employment compensation for work-related injuries	TOTAL Post-employment benefits	Long-term compensation for work-related injuries	Gradual cessation of activity and time-savings account [1]	Long-service awards and other benefits [1]	TOTAL Long-term benefits
Opening actuarial gains (losses)	**-74**	**2**	**112**	**-105**	**-273**	**0**			
Experience adjustments relating to liabilities	4	-1	-7	4	**1**		6	4	**10**
Effects of changes in demographic assumptions relating to liabilities [2]	3	8	38	-23	**26**		-35	2	**-34**
Effects of changes in financial assumptions relating to liabilities	2	0	0	3	**2**		0	0	**0**
Actuarial gains and losses on the obligation generated over the year	**9**	**7**	**31**	**-17**	**28**	**0**	**-29**	**6**	**-24**
Experience adjustments relating to assets	1				**1**				**0**
Effects of changes in financial assumptions relating to assets	0				**0**				**0**
Actuarial gains and losses on the plan assets generated over the year	**1**				**1**				**0**
Foreign exchange impact	0				**0**				**0**
Other	0				**0**				**0**
Closing actuarial gains (losses)	**-57**	**-4**	**79**	**-263**	**-243**				**0**
Total experience adjustments	*5*	*-1*	*-7*	*4*	***2***	*0*	*6*	*4*	***10***
Total impacts relating to changes in actuarial assumptions	*5*	*8*	*38*	*-23*	***28***	*0*	*-35*	*0*	***-33***

31/12/2012 En millions d'euros	Pensions and other similar benefits	Provident obligations	Social welfare initiatives	Post-employment compensation for work-related injuries	TOTAL Post-employment benefits	Long-term compensation for work-related injuries	Gradual cessation of activity and time-savings account [1]	Long-service awards and other benefits [1]	TOTAL Long-term benefits
Opening actuarial gains (losses) [3]	**-15**	**2**	**106**	**-105**	**-13**				
Experience adjustments relating to liabilities	-3	-3	-4	2	**-8**		-11	1	**-9**
Effects of changes in demographic assumptions relating to liabilities	0	0	0	0	**0**		-9	0	**-9**
Effects of changes in financial assumptions relating to liabilities [4]	-47	-9	-53	-141	**-251**	-3	-45	-9	**-56**
Actuarial gains and losses on the obligation generated over the year	**-50**	**-13**	**-58**	**-139**	**-259**	**-3**	**-64**	**-8**	**-74**
Experience adjustments relating to assets	1				**1**				**0**
Effects of changes in financial assumptions relating to assets	0				**0**				**0**
Actuarial gains and losses on the plan assets generated over the year	**1**				**1**				**0**
Foreign exchange impact	-1				**-1**				**0**
Other	-3				**3**				**0**
Closing actuarial gains (losses)	**-67**	**-11**	**48**	**-244**	**-273**				**0**
Total experience adjustments	*-2*	*-3*	*-4*	*2*	***-7***	*0*	*-11*	*1*	***-9***
Total effects relating to changes in actuarial assumptions	*-47*	*-9*	*-53*	*-142*	***250***	*-3*	*-54*	*-9*	***-65***

[1] For other long-term benefits, actuarial gains and losses are not monitored as they are always recognised immediately in the net finance cost for the period.
[2] With respect to fiscal 2013, the impacts relating to changes in demographic assumptions were primarily due to the change in the mortality table used by the SNCF parent company plans.
[3] After add-back of actuarial gains and losses not recognised in the 01/01/2012 opening balance sheet pursuant to IAS 19 revised.
[4] With respect to fiscal 2012, significant actuarial losses had been generated following the sharp decline in the discount rate used for the Eurozone (3.80% as at 31/12/2011, compared to 2.55% as at 31/12/2012).

21.7.2. Analysis of the obligation's sensitivity to the main actuarial assumptions

The amounts below correspond to the decrease (actuarial gain) or increase (actuarial loss) in obligations as recognised as at 31 December 2013.

31/12/2013 In € millions	Provident obligations	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time-savings account
Sensitivity to the discount rate				
Change of + 0.25 pt	-2	-10	-34	-11
Change of – 0.25 pt	2	11	36	11
Sensitivity to Gradual cessation of activity membership rate				
Change of + 1 pt	0	0	0	15
Change of - 1 pt	0	0	0	-15

21.8. CIRCULATION PRIVILEGES

SNCF parent company personnel (active employees, retired employees and their beneficiaries) receive circulation privileges (CP) which enable them to travel under certain circumstances at prices that differ from the market. SNCF Group considers that these travel privileges do not have a material impact on its production resources.

With respect to active personnel (over the period of activity), the recognition of a liability is excluded since the CP are granted in consideration for services rendered by the beneficiaries over this period. They thus meet the definition of a short-term benefit.

For active employees over the post-employment period, current retirees and their beneficiaries, considering that the marginal average cost of this programme is lower than the average price paid on reservation, no liability is recorded in the financial statements regarding this post-employment benefit.

22. PROVISIONS

Movements in provisions for contingencies and losses during the year break down as follows:

In € millions	01/01/2013	Charges	Reversals used	Reversals not used	Other	31/12/2013	Of which current	Of which non-current
Tax, employee and customs risks	106	12	-1	-4	0	112	18	94
Environmental risks	360	29	-16	-6	57	425	42	383
Litigation and contractual disputes	266	199	-41	-82	2	344	71	274
Restructuring costs	29	53	-21	-5	-1	55	50	5
Other	220	80	-58	-37	-2	203	85	117
Total provisions	**980**	**374**	**-136**	**-134**	**55**	**1 139**	**266**	**873**

22.1. PROVISIONS FOR ENVIRONMENTAL RISKS

As at 31 December 2013, the following environmental risks are provided in the accounts:

— site decontamination: €77 million (€79 million in 2012),

— asbestos-related costs : €336 million (€272 million in 2012).

The change in the provision for asbestos-related costs primarily concerns rolling stock and is based on the availability of new information to assess the cost of asbestos removal. It is recognised in the amount of €57 million (Other) and offset against the asbestos component of the capitalised rolling stock (see Note 14). The new information is related to experience gains arising from the asbestos removal work effectively carried out for this type of equipment.

22.2. PROVISIONS FOR LITIGATION AND CONTRACTUAL DISPUTES

The 2013 charge net of reversals primarily stems from the risk measurement adjustment relating to current litigation and the consideration of new litigation arising over the period.

22.3. RESTRUCTURING COSTS

The increase in restructuring costs stems from the depressed economic environment which has led to a resizing of some Group activities.

23. FINANCIAL LIABILITIES

This note provides a breakdown of Group financial liabilities by nature, maturity, currency and interest rate. Note 24 provides additional disclosures on derivative instruments subscribed by the Group. The hedging strategy is presented in Note 25.

23.1. BREAKDOWN OF CURRENT/NON-CURRENT FINANCIAL LIABILITIES

Liabilities maturing in less than 12 months at the balance sheet date are recorded in current liabilities.

The fair value of liability derivative instruments is classified in current and non-current liabilities based on the final maturity of the derivative.

Derivative instrument fair values and borrowings include accrued interest payable/receivable.

Financial liabilities break down as follows:

				31/12/2013			31/12/2012
En millions d'euros	**Note**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Bonds		10,137	1,006	11,143	10,549	2,116	12,665
Bank borrowings		2,058	126	2,184	2,104	143	2,246
Finance lease obligations		1,178	428	1,606	1,546	60	1,605
Sub-total borrowings		**13,373**	**1,560**	**14,933**	**14,198**	**2,318**	**16,516**
Of which							
- measured at amortised cost		*11,141*	*1,433*	*12,573*	*11,618*	*2,262*	*13,880*
- recognised using fair value hedge accounting		*1,837*	*124*	*1,961*	*2,091*	*53*	*2,143*
- designated at "fair value"		*396*	*3*	*398*	*490*	*3*	*493*
Amounts payable on non-controlling interest purchase commitments		7	0	7	10	0	10
Negative fair value of hedging derivatives		400	-9	391	301	0	301
Negative fair value of trading derivatives		451	86	538	596	100	695
Loans and borrowings		**14,232**	**1,637**	**15,869**	**15,105**	**2,418**	**17,523**
Cash borrowings and overdrafts		3	1,966	1,968	2	2,661	2,663
Financial liabilities presented in the balance sheet		**14,235**	**3,603**	**17,837**	**15,107**	**5,079**	**20,186**
Réseau Ferré de France receivable	15	1,190	30	1,221	1,203	451	1,654
Public Debt Fund receivable	15	1,637	46	1,684	1,521	1,340	2,861
Available-for-sale assets (1)		0	0	0	0	120	120
Assets at fair value through profit or loss		0	256	256	0	126	126
Positive fair value of hedging derivatives		564	19	583	614	25	639
Positive fair value of trading derivatives		463	88	551	665	85	750
Other loans, receivables and investments (2)	15	521	571	1,092	291	933	1,224
Cash and cash equivalents			5,060	5,060		5,291	5,291
Group net indebtedness		**9,859**	**-2,469**	**7,391**	**10,813**	**-3,292**	**7,521**

(1) Available-for-sale assets do not include investments for €241 million (€236 million in 2012).
(2) Other loans, receivables and investments do not include the pension assets for €9 million (€3 million in 2012).

For financial liabilities recognised at fair value in the balance sheet, the fair value hierarchy is shown by category of financial asset and comprises the following three levels under IFRS 7:

— Level 1: fair value measured using quoted prices.

— Level 2: fair value measured using inputs other than quoted prices that are observable directly or indirectly on the market.

— Level 3: fair value determined using valuation techniques not based on observable market data.

Financial liabilities valued at fair value break down as follows:

						31/12/2013
In € millions	**Non-current**	**Current**	**Total**	**Level 1**	**Level 2**	**Level 3**
Bonds	10,137	1,006	11,143	0	2,359	0
Bank borrowings	2,058	126	2,184	0	0	0
Finance lease obligations	1,178	428	1,606	0	0	0
Sub-total borrowings	**13,373**	**1,560**	**14,933**	**0**	**2,359**	**0**
Of which						
- measured at amortised cost	*11,141*	*1,433*	*12,574*			
- recognised using fair value hedge accounting	*1,837*	*124*	*1,961*	*0*	*1,961*	*0*
- designated at "fair value"	*396*	*3*	*398*	*0*	*398*	*0*
Amounts payable on non-controlling	7	0	7	0	7	0
interest purchase commitments	7	0	7	0	7	0
Negative fair value of hedging derivatives	400	-9	391	0	391	0
Loans and borrowings	**14,232**	**1,637**	**15,869**	**0**	**3,295**	**0**
Cash borrowings and overdrafts	3	1,966	1,968	0	0	3
Financial liabilities presented in the balance sheet	**14,235**	**3,603**	**17,837**	**0**	**3,295**	**3**

						31/12/2012
In € millions	**Non-current**	**Current**	**Total**	**Level 1**	**Level 2**	**Level 3**
Bonds	10,549	2,116	12,665	0	2,637	0
Bank borrowings	2,104	143	2,246	0	0	-1
Finance lease obligations	1,546	60	1,605	0	0	0
Sub-total borrowings	**14,198**	**2,318**	**16,516**	**0**	**2,637**	**-1**
Of which						
- measured at amortised cost	11,618	2,262	13,880			
- recognised using fair value hedge accounting	2,091	53	2,143	0	2,143	0
- designated at "fair value"	490	3	493	0	493	0
Amounts payable on non-controlling	10	0	10	0	10	0
interest purchase commitments	301	0	301	0	300	0
Negative fair value of hedging derivatives	596	100	695	0	695	0
Loans and borrowings	**15,105**	**2,418**	**17,523**	**0**	**3,643**	**-1**
Cash borrowings and overdrafts	2	2661	2663	0	0	2
Financial liabilities presented in the balance sheet	**15,107**	**5,079**	**20,186**	**0**	**3,643**	**2**

The net indebtedness of unconsolidated ESH low-rental housing companies as at 31 December 2013 amounted to €2.3 billion (€2.1 billion as at 31 December 2012).

23.2. LOANS AND BORROWINGS MATURITY SCHEDULE

The maturity schedule for the carrying amounts of loans and borrowings is as follows:

In € millions	31/12/2013	31/12/2012
Less than 1 year	1,554	2,318
1 to 5 years	3,568	3,138
More than 5 years	9,354	10,296
Changes in fair value (designated at "fair value")	11	106
Changes in fair value (hedge accounting)	446	658
Total	**14,934**	**16,516**
Amounts payable on non-controlling interest purchase commitments	7	10
Fair value of non-current derivatives	851	897
Fair value of current derivatives	78	99
Total loans and borrowings	**15,870**	**17,523**

The maturity schedule for SNCF borrowings, based on year-end exchange and interest rates, is as follows:

		31/12/2013		31/12/2012
In € millions	**Nominal**	**Interest**	**Nominal**	**Interest**
Borrowings				
Less than 1 year	1,288	475	2,011	557
1 to 2 years	1,067	473	1,014	462
2 to 3 years	781	441	1,160	461
3 to 4 years	275	431	787	428
4 to 5 years	1,472	422	261	418
More than 5 years	9,287	2,788	10,352	3,212
Total	**14,171**	**5,030**	**15,586**	**5,538**

23.3. BREAKDOWN OF LOANS AND BORROWINGS BY FOREIGN CURRENCY

The breakdown by foreign currency of loans and borrowings, before and after adjustment for derivatives, is as follows:

		Initial debt structure		Structure after currency hedging
In € millions	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Euro	11,199	12,451	14,097	15,638
Swiss franc	1,500	1,533	331	337
US dollar	376	420	294	332
Canadian dollar	132	145	26	25
Pound sterling	1,036	1,078	166	157
Yen	451	571	0	0
Australian dollar	148	185	10	
Hong Kong dollar	79	105	0	
Other	12	30	9	28
Total borrowings	**14,933**	**16,516**	**14,933**	**16,516**

The pound sterling denominated debt is fully hedged by pound sterling assets, while Swiss franc and Dollar denominated debt are partially hedged by Swiss franc and Dollar assets.

23.4. BREAKDOWN OF LOANS AND BORROWINGS BY INTEREST RATE

The breakdown by interest rate of loans and borrowings, before and after adjustment for derivatives, is as follows:

	Initial debt structure		Structure after IFRS hedging	
In € millions	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Fixed rate	10,730	12,271	10,097	11,631
Floating rate	4,203	4,246	4,836	4,886
Total borrowings	**14,933**	**16,516**	**14,933**	**16,516**

The breakdown of borrowings by interest rate takes into account the impact of both hedging derivatives and trading derivatives.

23.5. FAIR VALUE OF FINANCIAL LIABILITIES

The difference between the net carrying amount and nominal value of liabilities designated at fair value is as follows:

	31/12/2013		31/12/2012	
In € millions	**Fair value**	**Nominal value**	**Fair value**	**Nominal value**
Borrowings at fair value	398	347	493	425

The fair value of borrowings recorded is as follows:
It was determined using Level 2 of the fair value hierarchy.

	31/12/2013		31/12/2012	
In € millions	**Fair value**	**Net carrying amount**	**Fair value**	**Net carrying amount**
Borrowings	16,706	14,933	17,512	16,516
Cash liabilities	1,968	1,968	2,663	2,663
Total borrowings	**18,674**	**16,901**	**20,175**	**19,180**

24. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of current and non-current asset and liability derivative instruments breaks down as follows:

	31/12/2013			31/12/2012		
In € millions	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Asset derivative instruments						
Cash flow hedging derivatives	315	-22	292	226	-20	206
Fair value hedging derivatives	249	41	291	388	45	433
Trading derivatives	463	88	551	665	85	750
Hedging derivatives of a net investment in a foreign operation	0	0	0	0	0	0
Total asset derivative instruments	**1,027**	**107**	**1,134**	**1,279**	**110**	**1,389**
Liability derivative instruments						
Cash flow hedging derivatives	367	0	367	301	-6	295
Fair value hedging derivatives	33	-9	24	0	5	5
Trading derivatives	451	86	538	596	100	695
Hedging derivatives of a net investment in a foreign operation	0	0	0	0	0	0
Total liability derivative instruments	**851**	**78**	**929**	**897**	**99**	**996**

24.1. FOREIGN CURRENCY DERIVATIVES

The SNCF Group operates regularly on the foreign currency derivatives market, primarily in order to hedge borrowings issued. The fair value of these instruments in the balance sheet breaks down as follows by instrument and transaction type:

	Balance sheet fair value as at 31/12/2013					Balance sheet fair value as at 31/12/2012				
In € millions	Cash flow hedge	Fair value hedge	Trading	Net investment hedge	TOTAL	Cash flow hedge	Fair value hedge	Trading	Net investment hedge	TOTAL
Currency swaps (with principal)	-	-	1	-	1	-	-	1	-	1
Currency swaps	200	61	55	-	316	214	155	121	-	490
Forward foreign currency sales	-	-	-	-	-	2	(1)	0	0	2
Foreign currency options	-	-	-	-	-	-	-	0	0	0
Asset derivative instruments	**200**	**61**	**55**	**-**	**316**	**216**	**154**	**123**	**0**	**493**
Currency swaps (with principal)	-	-	8	-	8	-	-	23	-	23
Currency swaps	249	24	81	-	354	220	0	65	-	285
Forward foreign currency purchases	-	-	0	-	0	-	-	0	-	0
Forward foreign currency sales	-	-	0	0	0	-	-	0	-	0
Foreign currency options	-	-	-	0	0	-	-	-	0	0
Liability derivative instruments	**249**	**24**	**89**	**0**	**362**	**220**	**0**	**89**	**0**	**309**
Net foreign currency position	**(49)**	**37**	**(34)**	**(0)**	**(46)**	**(4)**	**153**	**34**	**0**	**184**

As at 31 December 2013 and 2012, the nominal commitments and maturities of the different instruments subscribed are as follows:

24.1.1. Currency swaps with an underlying liability

	Nominal commitments received 31/12/2013											
In millions	Less than 1 year		1 to 2 years		2 to 3 years		3 to 4 years		4 to 5 years		More than 5 years	
	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate
Swiss franc	0	0	0	0	0	0	100	81	325	265	950	774
US dollar	0	0	0	0	100	73	0	0	0	0	0	0
Canadian dollar	0	0	150	102	0	0	0	0	0	0	0	0
Pound sterling	0	0	29	35	21	25	0	0	0	0	550	660
Yen	0	0	30,000	207	0	0	0	0	4,000	28	28,500	197
Australian dollar	0	0	200	130	0	0	0	0	0	0	0	0
Hong Kong dollar	832	78	0	0	0	0	0	0	0	0	0	0
Euro	0	0	0	0	0	0	0	0	0	0	60	60
Total		**78**		**474**		**98**		**81**		**292**		**1,691**

Nominal commitments received 31/12/2012

In millions	Less than 1 year		1 to 2 years		2 to 3 years		3 to 4 years		4 to 5 years		More than 5 years	
	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate
Swiss franc	0	0	0	0	0	0	0	0	100	83	1,275	1,056
US dollar	5	4	0	0	0	0	100	76	0	0	0	0
Canadian dollar	0	0	0	0	150	114	0	0	0	0	0	0
Pound sterling	0	0	0	0	29	35	21	26	0	0	550	674
Yen	0	0	0	0	30,000	264	0	0	0	0	32,500	286
Australian dollar	0	0	0	0	200	157	0	0	0	0	0	0
Hong Kong dollar	200	20	832	81	0	0	0	0	0	0	0	0
Euro	0	0	0	0	0	0	0	0	0	0	60	60
Total		**23**		**81**		**565**		**102**		**83**		**2,076**

Nominal commitments given 31/12/2013

In millions	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Euro	73	502	112	66	247	1,811
Total	**73**	**502**	**112**	**66**	**247**	**1,811**

Nominal commitments given 31/12/2012

In millions	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Euro	26	73	502	112	66	2,058
Total	**26**	**73**	**502**	**112**	**66**	**2,058**

Future interest flows, based on year-end exchange rates and future interest rates implicit in the interest rate curve at the balance sheet date for floating rates, are as follows:

	31/12/2013		31/12/2012	
In € millions	Interest flows received	Interest flows paid	Interest flows received	Interest flows paid
Less than 1 year	97	-28	105	-29
1 to 2 years	95	-28	104	-27
2 to 3 years	77	-16	102	-26
3 to 4 years	73	-16	79	-14
4 to 5 years	71	-15	75	-14
More than 5 years	471	-114	572	-118
Total	**885**	**-217**	**1 037**	**-228**

24.1.2 Currency swaps with an underlying asset

Nominal commitments given 31/12/2013

In millions	Less than 1 year		1 to 2 years		2 to 3 years		3 to 4 years		4 to 5 years		More than 5 years	
	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate
Canadian dollar	0	0	150	102	0	0	0	0	0	0	0	0
Total		**0**		**102**		**0**		**0**		**0**		**0**

Nominal commitments given 31/12/2012

In millions	Less than 1 year		1 to 2 years		2 to 3 years		3 to 4 years		4 to 5 years		More than 5 years	
	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate	foreign currency	euro equivalent at the year-end exchange rate
US dollar	32	24	0	0	0	0	0	0	0	0	0	0
Canadian dollar	0	0	0	0	150	114	0	0	0	0	0	0
Australian dollar	5	4	0	0	0	0	0	0	0	0	0	0
Hong Kong dollar	200	20	0	0	0	0	0	0	0	0	0	0
Total		**48**		**0**		**114**		**0**		**0**		**0**

Nominal commitments received 31/12/2013

In millions	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Euro	0	92	0	0	0	0
Total	**0**	**92**	**0**	**0**	**0**	**0**

Nominal commitments received 31/12/2012

In millions	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Euro	52	0	92	0	0	0
Total	**52**	**0**	**92**	**0**	**0**	**0**

Future interest flows, based on year-end exchange rates and future interest rates implicit in the interest rate curve at the balance sheet date for floating rates, are as follows:

	31/12/2012		31/12/2011	
In € millions	Interest flows received	Interest flows paid	Interest flows received	Interest flows paid
Less than 1 year	0	-5	0	-6
1 to 2 years	0	-5	0	-5
2 to 3 years	0	0	0	-5
Total	**0**	**-9**	**0**	**-17**

24.2. INTEREST RATE DERIVATIVES

The Group operates in the interest rate swap and swaption market in order to manage its exposure to interest rate risk on borrowings. The fair value of these instruments in the balance sheet breaks down as follows by instrument and transaction type:

	Balance sheet fair value as at 31/12/2013					Balance sheet fair value as at 31/12/2012				
In € millions	**Cash flow hedge**	**Fair value hedge**	**Trading**	**Net investment hedge**	**TOTAL**	**Cash flow hedge**	**Fair value hedge**	**Trading**	**Net investment hedge**	**TOTAL**
Fixed-rate receiver swaps	0	230	496	0	726	0	279	631	0	910
Fixed-rate payer swaps	92	-	0	0	92	-11	0	-4	0	-14
Swaptions	0	-	0	0	0	0	0	0	0	0
Asset derivative instruments	**92**	**230**	**496**	**0**	**818**	**-11**	**279**	**627**	**0**	**896**
Fixed-rate payer swaps	117	0	448	0	566	75	5	594	0	674
Index-based swaps	0	0	0	0	0	0	0	13	0	13
Swaptions	0	-	1	0	1	0	0	0	0	0
Liability derivative instruments	**118**	**0**	**449**	**0**	**566**	**75**	**5**	**607**	**0**	**687**
Net interest rate position	**-25**	**230**	**47**	**0**	**252**	**-86**	**274**	**20**	**0**	**209**

As at 31 December 2013 and 2012, the nominal value and maturities of the different instruments subscribed were as follows:

	31/12/2013		31/12/2012	
In € millions	**Net long-term debt**	**Net short-term debt**	**Net long-term debt**	**Net short-term debt**
Fixed-rate receiver swaps	3,538	657	3,450	0
Fixed-rate payer swaps	5,513	285	5,416	152
Index-based swaps	13	0	35	0
Swaptions	121	0	55	0

Future interest flows, based on year-end exchange rates and future interest rates implicit in the interest rate curve at the balance sheet date for floating rates, are as follows:

	Net interest flows 31/12/2013					
In € millions	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**
Fixed-rate receiver swaps						
Fixed-rate payer swaps	-157	-143	-142	-144	-145	-840
Index-based swaps	0	0	0	0	0	0
Swaptions	2	0	0	0	0	0
Total	**-29**	**-14**	**-14**	**-16**	**-17**	**-97**

	Net interest flows 31/12/2012					
In € millions	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**
Fixed-rate receiver swaps	120	123	125	125	125	855
Fixed-rate payer swaps	-132	-141	-130	-131	-132	-977
Index-based swaps	-1	-1	-1	-1	-1	-7
Swaptions	2	2	0	0	0	0
Total	**-12**	**-18**	**-5**	**-7**	**-8**	**-129**

25. MANAGING MARKET RISKS AND HEDGING

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

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

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

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

25.1. MANAGEMENT STRATEGY

25.1.1. Interest rate risk management

The cost of long-term net indebtedness is optimised, with regard to interest rates, by managing the mix of fixed and floating rate borrowings. The Group uses firm and optional interest rate swap instruments within the limits defined, for SNCF, by the aforementioned general framework.

From an economic standpoint, fixed-rate net borrowings of the parent company represented 96.77% of total borrowings as at 31 December 2013, compared to 88.6% as at 31 December 2012. On the same basis, the cost of long-term net indebtedness was 3.53% for fiscal year 2013, compared to 2.84% for fiscal year 2012.

— Sensitivity analysis:

The sensitivity of profit or loss to the risk of interest rate fluctuations is related to:

— floating-rate net debt after taking into account hedges;

— fair value option debt;

— derivative instruments not qualified as hedges within the meaning of IAS 39.

The sensitivity of recyclable reserves (equity) to the risk of interest rate fluctuations is related to derivatives qualified as cash flow hedges.

The sensitivity analysis was determined based on a 1% increase in the interest rate curve at the year-end, and breaks down as follows:

	31/12/2013		31/12/2012	
In € millions	**Profit or loss**	**Recyclable reserves**	**Profit or loss**	**Recyclable reserves**
Floating-rate financial instruments (after taking into account hedges) (1)	-8		7	
Fair value option debt	14		22	
Derivatives not qualified as hedges	13		11	
Derivatives qualified as cash flow hedges		78		59
Total	**19**	**78**	**39**	**59**

(1) The previous year's scope only included exposure before hedging.

25.1.2. Foreign currency risk management

The commercial activities of the Group do not expose it to material foreign currency risk.

Excluding subsidiaries operating in their own country, Group indebtedness denominated in currencies other than the euro is managed in line with the acceptable risk limit defined, for SNCF, in the same general framework. The Group uses currency swaps for this purpose, generally set up when the borrowing is issued.

Foreign currency denominated borrowings as at 31 December 2013, after hedging by currency swaps, remained stable at 1.70%.

Given the small percentage of unhedged foreign currency denominated borrowings, net profit or loss is not, in the Group's opinion, sensitive to foreign currency risk.

25.1.3. Commodity risk management

The Group's production requirements expose it to the risk of fluctuations in the price of petroleum products. This risk is managed using firm and optional derivatives (swaps, options, caps, floors). The Group does not apply hedge accounting to these transactions.

For 2013, a hedge in the form of an annual volume cap of 10,000 tonnes had been set up from 1 September 2013 to 31 December 2013.

For the full year 2014, no hedges in the form of a cap of were set up.

25.1.4. Counterparty risk management

The aforementioned general framework defines, for the parent company, the counterparty approval procedure, which is based on a quantitative and qualitative analysis of counterparties.

Volume limits according to investment terms are also defined for each counterparty, taking into account their equity, rating and nationality. The extent to which authorised limits are used, based on nominal transaction amount, is measured daily and reported.

The counterparty approval procedure for derivative products also involves the signature of a framework agreement as well as a collateral agreement. The extent to which the allocated limit is used is measured based on the collateral limit plus a lump-sum amount, taking into account the absolute value of the most significant changes in market value for all collateralised financial agreements with the counterparty.

The table below presents the information required by the amendment to IFRS 7 "Disclosures: offsetting financial assets and financial liabilities." For financial assets and liabilities subscribed as part of agreements with a legally enforceable netting clause, this involves a presentation of amounts before and after offsetting as at 31 December 2013. The "Cash collateral" column corresponds to the outstandings on collateralisation agreements for derivative financial instruments that do not meet the offsetting criteria established by IAS 32 "Financial instruments: presentation."

31/12/2013				Amounts not offset in the balance sheet		
In € millions	Gross amounts	Amounts offset in the balance sheet	Net amounts presented in the balance sheet	Cash collateral	Derivatives with netting agreement	Net amounts based on IFRS 7
Asset derivatives	1,134		1,134	707	338	90
Liability derivatives	928		928	300	338	290

31/12/2012				Amounts not offset in the balance sheet		
In € millions	Gross amounts	Amounts offset in the balance sheet	Net amounts presented in the balance sheet	Cash collateral	Derivatives with netting agreement	Net amounts based on IFRS 7
Asset derivatives	1,387		1,387	892	249	246
Liability derivatives	996		996	321	249	427

As at 31 December 2013, three counterparties represent 90% of the active position's credit risk. The remaining exposure is explained by trigger thresholds in the collateralisation agreements and monthly margin calls.

The main transactions which could generate counterparty risk are mainly financial investments and financial instruments as described below:

25.1.4.1. Financial investments

1. Cash and cash equivalents
Financial investments are diversified. They primarily consist of negotiable debt instruments (certificates of deposit, commercial paper), treasury note repos and subscriptions to French money market mutual funds (UCITS). Given their short residual term and breakdown, no credit risk exposure is generated.

2. Portfolio of available-for-sale assets
In 2008, the Group created a portfolio of medium-term assets to hedge future investment costs. The portfolio is classified in available-for-sale assets (see Note 15). This portfolio matured as at 31 December 2013.

25.1.4.2. Derivatives

Derivative transactions seek to manage interest rate, foreign currency and commodity risk.

The aforementioned general framework defines, for the parent company, the counterparty approval procedure, which is based on a quantitative and qualitative analysis of counterparties. Investment volume and term limits are also defined for each counterparty. The extent to which authorised limits are used, based on future payments or replacement costs, is measured daily and reported.

The counterparty approval procedure for derivative products also involves the signature of a framework agreement.
A collateral agreement is also signed with certain counterparties in order to limit counterparty risk.

25.1.5. Liquidity risk management

The parent company assures its daily liquidity through a commercial paper program capped at €3 billion, used in the amount of €0.135 billion as at 31 December 2013 (€0.39 billion as at 31 December 2012) and in the amount of €0.11 billion on average in 2013, compared to €0.29 billion in 2012.

The parent company also set up a Euro commercial paper programme in early 2009 for a maximum amount of €2 billion, used in the amount of €0.75 billion as at 31 December 2013 (€1.09 billion as at 31 December 2012) and in the amount of €1.18 billion on average in 2013 (€0.89 billion in 2012).

In addition, the parent company has bilateral credit lines of €780 million (€860 million in 2012). Total confirmed credit lines of the Group break down as follows:

In € millions	Total 31/12/2013	Maturity schedule		
		< 1 year	1 to 5 years	> 5 years
Confirmed credit lines	1,128	13	1,115	0

In € millions	Total 31/12/2012	Maturity schedule		
		< 1 year	1 to 5 years	> 5 years
Confirmed credit lines	971	421	550	0

25.2. CASH FLOW HEDGES

The fair value of derivatives designated as cash flow hedges breaks down by hedged item as follows:

En millions d'euros	Balance sheet fair value as at 31/12/2013	Maturity schedule		
		< 1 year	1 to 5 years	> 5 years
Bonds	-29	-9	51	-72
Non-bond borrowings	-13	0	-7	-6
Finance lease obligations	-31	-11	-10	-10
Loans and receivables	0	0	0	0
Fair value of derivatives designated as cash flow hedges	-74	-19	34	-89

In € millions	Balance sheet fair value as at 31/12/2012	Maturity schedule		
		< 1 year	1 to 5 years	> 5 years
Bonds	-21	-7	0	-14
Non-bond borrowings	-70	-9	-33	-28
Finance lease obligations	0	0	0	0
Loans and receivables	2	2	0	0
Fair value of derivatives designated as cash flow hedges	-89	-14	-33	-42

The impacts on equity, profit or loss for the period and reserves break down as follows:

In € millions	Recyclable equity
Opening balance (01/01/2013)	-104
Recycled in profit or loss	33
Changes in effective portion	21
Changes in value of available-for-sale assets	-2
Closing balance (31/12/2013)	-53

In € millions	Recyclable equity
Opening balance (01/01/2012)	-44
Recycled in profit or loss	-33
Changes in effective portion	-24
Changes in value of available-for-sale assets	-3
Closing balance (31/12/2012)	-104

25.3. FAIR VALUE HEDGES

Asset and liability items hedged as to fair value are initially recorded at amortised cost and subsequently remeasured at each balance sheet date based on the fair value of the risk hedged. Fair value gains and losses on the hedged risk are offset, except for the ineffective portion, by gains and losses on the hedging derivative.

In € millions	Value difference as at 01/01/2013	Change in fair value	Reclassification of transactions no longer meeting qualification criteria	Value difference as at 31/12/2013
Bonds	-610	173	4	-434
Other financial assets	2	-2	0	0
Total	**-608**	**170**	**4**	**-434**
Hedging derivatives	428	-165	3	267
Ineffectiveness		6		

In € millions	Value difference as at 01/01/2012	Change in fair value	Reclassification of transactions no longer meeting qualification criteria	Value difference as at 31/12/2012
Bonds	-544	-72	5	-610
Other financial assets	5	-3	0	2
Total	**-539**	**-75**	**5**	**-608**
Hedging derivatives	330	72	18	428
Ineffectiveness		-3		

26. OPERATING PAYABLES AND OTHER ACCOUNTS IN CREDIT

Operating payables break down as follows:

In € millions	31/12/2013	31/12/2012	Change
Trade payables and related accounts	5,383	5,584	-201
o/w amounts payable to suppliers of PP&E	*627*	*373*	*255*
Payments received on account for orders	678	471	207
o/w advances received on sales of PP&E	*28*	*7*	*21*
Employee-related liabilities	2,385	2,380	5
Amounts payable to the French State and local authorities	1,194	1,561	-367
Other operating payables	440	420	20
Deferred income	1,534	1,354	180
Total operating payables	**11,613**	**11,768**	**-155**

27. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In € millions	31/12/2013	31/12/2012
Assets classified as held for sale	1	22
Liabilities relating to assets classified as held for sale	4	24
Net impact on balance sheet	**-3**	**-1**

The assets and liabilities of Novatrans were reclassified in the balance sheet as at 31 December 2012, under assets and liabilities classified as held for sale pursuant to IFRS 5. They mainly comprised operating receivables and payables. Novatrans was sold in March 2013 to Charles André Transports (GCA).

28. OFF-BALANCE SHEET COMMITMENTS

The impacts arising from the application of the consolidation package on off-balance sheet commitments are described in Note 1.3.3.5. The changes below are based on restated opening data.

		31/12/2013				31/12/2012
			Amount of commitments per period			
Commitments received (in M€)		**Total commitment**	**Less than one year**	**From one to five years**	**More than five years**	**Total commitment**
Commitments relating to financing		**1,207**	**66**	**1,123**	**18**	**1,056**
Personal collateral	(4)	79	52	8	18	85
Security interests		0	0	0	0	0
Unused confirmed credit lines	(8)	1,128	13	1,115	0	971
Commitments relating to operations		**6,405**	**2,205**	**3,505**	**696**	**5,529**
Investment commitments for operation of rail equipment	(1)	2,931	1,186	1,607	138	2,742
Purchase commitments for non-current assets other than rail equipment	(11)	659	167	443	49	446
Property sale undertakings		196	88	81	26	95
Operating guarantees	(13)	1,447	507	916	24	1,025
Operating leases: equipment	(6)	449	178	224	47	445
Operating leases: property	(6)	716	73	232	411	772
Commitments relating to operating and fixed asset purchase agreements		7	5	1	1	4
Firm commodity purchase commitments (electricity, diesel)		0	0	0	0	0
Commitments relating to the Group consolidation scope		**11**	**6**	**5**	**1**	**94**
Warranties		11	6	5	1	94
Financial recovery clause on waiver		0	0	0	0	1
Other commitments received		**0**	**-2**	**3**	**1**	**8**
Total commitments received	(14)	**7,624**	**2,274**	**4,636**	**716**	**6,688**

						31/12/2013	31/12/2012
			Amount of commitments per period				
Commitments given (in M€)		**Total commitment**	**Less than one year**	**From one to five years**	**More than five years**		**Total commitment**
Commitments relating to financing		**1,608**	**121**	**263**	**1,224**		**1,648**
Personal collateral	(3)	285	109	79	97		326
Personal collateral: guarantees given for loans to employees	(5)	1,074	10	49	1,015		1,073
Security interests	(7)	216	2	102	112		215
Unused confirmed credit lines		33	0	33	0		34
Commitments relating to operations		**11,216**	**4,045**	**6,378**	**795**		**11,679**
Investment commitments for operation of rail equipment	(1)	5,369	1,877	3,480	13		6,175
Purchase commitments for non-current assets other than rail equipment	(11)	1,631	500	1,025	107		1,238
Property sale undertakings		195	88	82	24		140
Operating guarantees	(12)	600	307	104	190		538
Customs guarantees (Geodis)		172	122	26	24		158
Operating leases: equipment	(6)	1,047	304	623	120		1,205
Operating leases: property	(6)	1,484	350	821	315		1,487
Commitments relating to operating and fixed asset purchase agreements	(2)	247	166	77	3		296
Firm commodity purchase commitments (electricity, diesel)	(10)	470	330	139	0		442
Commitments relating to the Group consolidation scope		**597**	**0**	**593**	**4**		**847**
Security commitments (option contracts)	(9)	584	0	584	0		797
Other commitments relating to the Group consolidation scope		14	0	10	4		51
Other commitments given		**49**	**38**	**10**	**0**		**52**
Total commitments given	**(14)**	**13,470**	**4,203**	**7,244**	**2,023**		**14,227**

– Commitments given concern investments concluded with rolling stock manufacturers and the transport Organising Authorities for the future commissioning of rail equipment. The sharp decrease was due to the investments carried out during the period that exceeded the new commitments undertaken. Commitments received correspond to investment funding receivable from the Regions for ordered rolling stock. They decrease in the amount of the investments ordered by the Organising Authorities that were carried out and, conversely, increase in the amount of new investment orders. In 2013, the increase was mainly due to the order of new REGIOLIS trains and the set-up of maintenance centres adapted to the Intercités activity for a total of €510 million. This order proportionately increases the commitments given for train financing in the amount of €446 million. Moreover, the decrease in these commitments given essentially stems from investments in TGV2N2 trains for €342 million, TGV Euroduplex trains for €147 million and Transilien trains for €347 million.

– Other operating purchase commitments given declined by €49 million. These commitments include rail and station access purchase commitments that decreased by €20 million due to the lapse of time.

– Security interests given decreased by €42 million and concern guarantees granted by SNCF for €16 million (€24 million in 2012) in respect of Sofiap bank borrowings.

– The joint and several first-demand counter-guarantee given to SNCF in respect of the loans granted to Sofiap was still recognised under personal collateral for €16 million (€24 million as at 31 December 2012). These guarantees correspond exactly to the collateral given.

– Total outstanding on guarantees given by SNCF in respect of property loans secured by employees. Statistically, guarantee calls are very limited.

– Equipment and property operating leases given decreased by €161 million primarily due to the payment of rent over one year and more favourable leasing conditions. Equipment and property operating leases received decreased by €51 million, including €121 million for rents received over the year offset by the subscription of new leases for €89 million.

– Among security interests:
- Securities pledge of €108 million for the Ermewa group (€108 million as at 31 December 2012).
- Pledge of NTV securities to creditors for €101 million (€84 million as at 31 December 2012) as a guarantee of NTV solvency until repayment of the financing.

– For the unused credit lines, see Note 25.15. The refinancing of the Keolis group syndicated loan for €800 million (€515 million in 2012) increased the commitment by €242 million (see Note 28.2).

– Investment call and put options mainly corresponded to the put option on shares granted by the Group to its partners in the EIL joint venture. Given the characteristics of this derivative instrument, its value is estimated at virtually nil and it has no consequences on the Group consolidated financial statements.

– Commodity purchase commitments essentially concern electricity supply contracts.

– The increase in the commitment relating to station projects (modernisation, multimodal planning, accessibility, etc.) impacts purchase commitments for assets other than rail equipment for €248 million. A portion of these commitments is financed by the Organising Authorities and contributes to the increase in financing commitments received for the purchase commitments of assets other than rail equipment.

– Operating guarantees given increased by €63 million mainly due to the set-up of a new guarantee following the awarding of a contract in Sweden for the Keolis Group.

– Operating guarantees received primarily concern bank guarantees received from rail equipment suppliers.

– The portion of commitments relating to joint ventures amounts to:
- €90 million for commitments received.
- €39 million for commitments given.

28.1. LEASE TRANSACTIONS

SNCF EPIC carried out transactions in the form rather than substance of a lease. These transactions comprised:

— the leasing of a qualified technological equipment network to a US lessor, who immediately sub-leases it to SNCF for a maximum period of 16 years. The assets in question are all the SNCF EPIC ticket sale and reservation equipment; or

— the sale of rolling stock (Corail Téoz cars, TGV trains, etc. commissioned or to be delivered, etc.) to an investor who immediately sub-leases it to SNCF EPIC for a determined period of 4 to 25 years according to the contracts;

— the leasing of rolling stock to a US lessor for a period of around 40 years, who immediately sub-leases it to SNCF EPIC for a period of 20 years.

In certain cases, the lessor is a fiscally transparent special entity created for this transaction that can only operate for this purpose.

During the sub-leasing (16 years) or leasing (4 to 25 years) periods, all payments made and received in connection with the lease offset each other and do not impact the financial statements, apart from the net profit recognised in the transaction period (see Note 2.10). This profit corresponds to the retrocession of a portion of the tax deferral obtained by the investor. The asset sold or leased is maintained in the Group balance sheet.

At the end of the sub-leasing or leasing periods, SNCF EPIC has several options based on the type of transaction:

— exercise a purchase option at a pre-determined price, thus maintaining its initial profit,

— give the equipment to the lessor, who will use it for his own purpose,

— give the equipment to the lessor, for whom SNCF EPIC will act as market sales agent for the equipment, guaranteeing a sale price at least equal to the amount of the purchase option,

— resell the equipment on the lessor's behalf, for a resale commission.

The use, replacement, operation or definition of assets is in no way affected. The risks borne by SNCF EPIC are limited to equipment ownership, the risks generated by French law, and counterparty risks covered by collateralisation contracts.

28.2. KEOLIS

At the end of December 2012, the following pledges had been given to financial institutions as a guarantee of the loan agreement signed on 24 May 2007 between Groupe Keolis SAS, its subsidiary Keolis and a consortium of banks:

— pledge by Groupe Keolis SAS of its bank accounts

— pledge by Groupe Keolis SAS of Keolis securities

— pledge by Keolis of Keolis UK securities.

The agreement, modified by several amendments, the last of which was dated 28 September 2011, concerned an amortisable loan for an initial principal amount of €395 million and the opening of revolving credit facilities for a total maximum amount of €200 million.

The pledges given were removed with the signature of a new five-year syndicated loan agreement on 12 July 2013 in the amount of €800 million in replacement of the previous agreement. At the end of December 2013, unused credit lines in this respect amounted to €335 million.

28.3. TRANSFER OF FINANCIAL ASSETS

28.3.1 Transfer of concession financial assets

In December 2013, the Group transferred concession financial assets under the same terms and conditions as the December 2012 transfer. In both cases, the transfer consisted in the assignment of receivables to a securitisation fund in which SNCF does not hold any investments. The fund's shareholder is independent of the SNCF Group in the same way as the members of the Board of Directors. The Group is not involved with the designation of these Board members.

The assigned receivables are managed and collected independently, with no SNCF Group involvement. Credit and late payment risks are transferred to the fund as well as any benefits relating to the receivables, as the Group can no longer receive expected future payments or use this receivable as a means to pay off any of its debts. There is no risk of dilution since the assigned receivables were certain, irrevocable and could not be compensated prior to their assignment and there is no foreign exchange risk as they are denominated and assigned in euros.

In substance, the Group does not control the fund and transfers to it the contractual rights to receive cash flows as well as virtually all the risks and rewards associated with the assigned receivables. The fund was therefore not consolidated and the receivables removed from the balance sheet. Furthermore, the Group did not retain any commitment or assume any new commitments with regard to these assignments.

The transaction resulted in a net cash inflow and a decrease in net financial debt of €141 million in 2013 (€946 million in 2012).

28.3.2. Transfer of the Competitiveness and Employment Tax Credit (CICE)

The CICE receivable arising from the Competitiveness and Employment Tax Credit set up by the French State (see Note 1.1.2.3) and recognised for the French tax consolidation groups was assigned under the Daily law.

The assignment, carried out in December 2013 without the use of a discount, covered the entire receivable relating to the eligible payroll paid in the 2013 calendar year. The counterparty and late payment risks were transferred to the banking institution along with the rewards attached to the receivable, as the Group can no longer collect the future refund of the tax credit or allocate it to a future cost. As the receivable was denominated and assigned in euros, there is no foreign exchange risk. Accordingly, the Group is deemed to have transferred virtually all the risks and rewards relating to the receivable.

As this involved an operating receivable, the assignment represented a net receipt of €184 million in the cash flows from operating activities in the cash flow statement.

29. RELATED PARTY TRANSACTIONS

SNCF, as an industrial and commercial public institution wholly owned by the French State (via the French Government Shareholding Agency), is related, within the meaning of IAS 24, Related Party Disclosures, to all companies and entities controlled by the French State.

Disclosures on individually or collectively material transactions with these entities concern the following related parties:

— the French State for all relations with it in its role as shareholder; conversely, taxes paid pursuant to ordinary law are excluded from the scope of related party transactions,

— transport Organising Authorities (Regions and STIF),

— RFF,

— ICF Group ESH low-rental housing companies.

No Group companies other than the parent company carry out material transactions with these related parties.

29.1 TRANSACTIONS WITH THE FRENCH STATE

The information presented below concerns transactions entered into with the French State via its ministries, central authorities and transport Organising Authorities, not governed by ordinary law.

29.1.1 Public assistance

Public assistance granted to SNCF Group by the State and local communities is presented in the following table:

In € millions	31/12/2013	31/12/2012
Operating grants received	99	36
Total	**99**	**36**

29.1.2 Government grants received and compensation for service concession arrangements

SNCF Group receives government grants in the form of third-party financing, primarily from local authorities, for TER rolling stock.
Government grants are deducted from the related assets. Government grants relating to intangible assets and property, plant and equipment are recorded in profit under "Depreciation and amortisation" based on the estimated useful life of the related assets.

Under service concession arrangements with the Organising Authorities, the Group receives compensation in the form of grants and/or contributions. In both cases, this compensation is considered as means of payment for the concession financial assets that are reduced in the balance sheet.

In € millions	31/12/2013	31/12/2012
Amounts received with regard to concession financial assets	645	495
Government grants relating to intangible assets and property, plant and equipment	286	205
Total régions	**931**	**699**

Services provided with transport Organising Authorities (including Regions and STIF) recorded in revenue amounted to €3,833 million for 2013, compared to €3,816 million in 2012. Services provided with the French State as the transport Organising Authority of the Trains d'Equilibre du Territoire amounted to €292 million in 2013, compared to €305 million in 2012.

These services include interest income on concession financial assets for €43 million (€79 million for the year ended 31 December 2012).

29.2 TRANSACTIONS WITH OTHER STATE COMPANIES

Transactions between SNCF Group and other State companies (EDF, France Telecom, La Poste, etc.) are all performed on an arm's length basis, except for transactions entered into by mutual agreement with RFF, for whom SNCF currently remains one of its main customers.

All other transactions entered into by the Group with related parties are performed on an arm's length basis.

29.2.1 Balance sheet headings

In € millions	31/12/2013	31/12/2012
RFF net receivables (1)	1,363	1,082
RFF payables	388	494

(1) Balance sheet headings excluding the financial receivable presented separately in balance sheet assets (see Note 15).

29.2.2 Income and expenses

In € millions	31/12/2013	31/12/2012
Revenue with RFF	5,346	5,182
Infrastructure fees paid on the French rail network (1)	3,443	3,341
Revenue net of infrastructure fees	**1,903**	**1,841**

(1) Including €3,227million directly paid to RFF (€3,127 million as at 31 December 2012) and €216 million through STIF (€214 million as at 31 December 2012)

As these transactions are between related parties owned by the French State, credit risk is considered nil. No doubtful receivables have been identified.

29.3 TRANSACTIONS WITH ICF GROUP ESH LOW-RENTAL HOUSING COMPANIES

29.3.1 Balance sheet headings

In € millions	31/12/2013	31/12/2012
Current financial assets	21	20
Non-current financial assets	284	295
Current financial liabilities	0	6
Non-current financial liabilities	0	0

Non-current financial assets primarily comprise building loans granted by SNCF and ICF to ESH subsidiaries and equity investments of the ESH subsidiaries. The latter amounted to €145 million and are included in available-for-sale assets (see Note 15). Given the low rental housing regulations and the SNCF structure, these assets cannot be transferred to other Group entities.

Financial liabilities represent ESH subsidiary investments with ICF.

29.3.2 Income and expenses

Transactions with low-rental housing companies recorded in the income statement are not material.

29.4 TRANSACTIONS WITH JOINT VENTURES

The following tables present the main transactions with joint ventures and Group balance sheet headings with respect to these companies.

These transactions were conducted on an arm's length basis.

29.4.1 Balance sheet headings

In € millions	31/12/2013	31/12/2012
Current financial assets	15	15
Non-current financial assets	7	20
Current financial liabilities	41	44
Non-current financial liabilities	0	0

29.4.2 Income and expenses

In € millions	31/12/2013	31/12/2012
Revenue	185	151
Purchases and external charges	-195	-172
Other income and expenses	31	33
Gross profit with joint ventures	**21**	**12**

29.5 TRANSACTIONS WITH ASSOCIATES

Transactions with associates, excluding Eurofima (see Note 16), are not material.

30. MANAGEMENT COMPENSATION

The Group's key management personnel are members of the SNCF Group Executive Committee. Their cumulative taxable compensation indicated below corresponds to short-term benefits.

In € millions	31/12/2013	31/12/2012	Change
Number of managers concerned	17	17	0
Average number of managers during the year	16	17	-1
Total compensation in € millions	**6**	**6**	**0**

31. LITIGATION AND DISPUTES

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

31.1. RESOLVED LITIGATION

A litigation in which SNCF is the claimant was favourably resolved following an out-of-court settlement with the adverse party.

31.2. ONGOING LITIGATION

31.2.1. Investigation of the Competition Authority regarding Fret SNCF

An investigation was conducted by the Competition Authority regarding Fret SNCF. An initial notice was received on 28 July 2011 with a certain number of grievances that were all dismissed in Fret SNCF's response, mainly on the grounds that there was no breach of competition rules. In March 2012, the reporting judges transmitted a final report to the Competition Authority upholding the initial grievances. On 28 May 2012, SNCF legally challenged the unfounded nature of the grievances and the lack of breach of competition rules. The hearing before the Competition Authority took place on 7 September 2012 and the decision was rendered on 18 December 2012. Eight grievances out of the initial thirteen were dismissed, as the Authority considered that the stipulated practices were not substantiated. For four of the five grievances upheld, the SNCF was ordered to pay a fine of €61 million for having conducted several practices that hindered or delayed the entry of new operators into the rail freight transport market. This fine was expensed in 2012 under "Purchases and external charges" within gross profit. As for the last grievance, the Authority issued a judicial order regarding SNCF Fret's pricing policy and imposed that certain measures, particularly of an accounting and commercial nature, be implemented and in effect at the end of a three-year period in order to render such policy more objective. In January 2013, the Group filed an appeal with the Competition Authority regarding all the notified grievances. The fine was paid in May 2013.

31.2.2. Investigation of the Competition Authority regarding parcel delivery

The Competition Authority is currently investigating the various parcel delivery players. Since no grievances have been notified and the financial risk cannot be assessed, no provision was recognised as at 31 December 2013.

32. SUBSEQUENT EVENTS

Following a call for tenders initiated in July 2012, on 8 January 2014 the Massachusetts Bay Transportation Authority (MBTA) announced that it had accepted the offer submitted by the SNCF-Keolis grouping for the operation of the Boston (United States) municipal rail network. The eight-year contract will be effective as of 1 July 2014. The network will serve 140,000 passengers daily in 134 stations, across 13 lines, which represents more than 1,000 km of track. Annual revenue amounts to US$300 million.

33. SCOPE OF CONSOLIDATION

33.1 NUMBER OF CONSOLIDATED COMPANIES

The number of companies consolidated by SNCF Group breaks down as follows:

	31/12/2013	31/12/2012	Change
Parent company and fully consolidated companies	794	811	-17
Equity-accounted companies (joint ventures)	45	47	-2
Equity-accounted companies (significant influence)	60	65	-5
Total scope of consolidation	**899**	**923**	**-24**

33.2 DETAILED SCOPE OF CONSOLIDATION

Consolidation methods:

FC: Full Consolidation

JO: Joint Operation – Recognition of shares of assets, liabilities, revenues and expenses

JV: Joint Venture – Equity-accounted

SI: Significant Influence – Equity-accounted

NC: Not Consolidated

F: Company absorbed by another Group company

— **Percentage interest:** share in the share capital of the consolidated company held by the consolidating company, either directly or indirectly.

— **Percentage control:** percentage of voting rights held by the consolidating company in the consolidated company, either directly or indirectly.

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Parent company						
SNCF	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Voyages						
ALLEO	GERMANY	JV	50.00	50.00	50.00	50.00
Avancial	FRANCE	FC	100.00	100.00	100.00	100.00
CRM Services	FRANCE	FC	100.00	100.00	100.00	100.00
Ecolutis	FRANCE	FC	100.00	100.00	0	0
Elipsos	SPAIN	JV	50.00	50.00	50.00	50.00
Expretio	CANADA	FC	51.00	51.00	35.00	35.00
Findworks Technologies	FRANCE	NC	0	0	8398	83.98
Findworks Technologies Hungary	HUNGARY	NC	0	0	96.00	80.62
French Rail Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
French Railways Ltd (FRL)	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Hexatourisme	FRANCE	JV	45.00	45.00	45.00	45.00
IDTGV	FRANCE	FC	100.00	100.00	100.00	100.00
Intercapital Regional Rail Ltd	UNITED KINGDOM	SI	35.00	35.00	35.00	35.00
L'Agence Voyages-sncf.com	FRANCE	FC	50.10	50.10	50.10	50.10
Lyria	FRANCE	JV	74.00	74.00	74.00	74.00
NTV	ITALY	SI	20.00	20.00	20.00	20.00
Rail Distribution Systems	FRANCE	FC	88.00	88.00	88.00	88.00
Rail Europe Espana	SPAIN	FC	100.00	100.00	100.00	100.00
Rail Europe Group Limited	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Rail Europe Inc	UNITED STATES	FC	88.00	88.00	88.00	88.00
Rail Europe Limited	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Rail Holding AG	AUSTRIA	JV	28.00	28.00	35.00	35.00
Rail Solutions SAS	FRANCE	FC	100.00	100.00	100.00	100.00
RailLink bv	NETHERLANDS	SI	25.00	25.00	25.00	25.00
Railteam bv	NETHERLANDS	SI	25.00	25.00	25.00	25.00
RE 4A	FRANCE	JV	50.00	50.00	50.00	50.00
RENFE-SNCF	SPAIN	NC	0	0	50.00	50.00
SNCF VoYages Belgique	BELGIUM	FC	100.00	100.00	100.00	100.00
SNCF Voyages Deutschland	GERMANY	FC	100.00	100.00	100.00	100.00
SNCF-C6	FRANCE	FC	100.00	100.00	100.00	100.00
SVD SAS	FRANCE	FC	100.00	100.00	100.00	100.00
SVI srl	ITALY	FC	100.00	100.00	100.00	100.00
Thalys International	BELGIUM	JV	62.00	62.00	62.00	62.00
THI FACTORY	BELGIUM	SI	60.00	60.00	0	0
Transmanche Night Travel Ltd (TNTL)	UNITED KINGDOM	NC	0	0	100.00	100.00
VFE e-commerce	FRANCE	FC	100.00	100.00	100.00	100.00
Voyages-Sncf Benelux	BELGIUM	FC	10000	100.00	100.00	100.00
Voyages-Sncf Deutschland	GERMANY	FC	100.00	100.00	100.00	100.00
Voyages-Sncf Italia	ITALY	FC	100.00	100.00	100.00	100.00
Voyages-Sncf Suisse	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Voyages-SNCF.com	FRANCE	FC	100.00	100.00	100.00	100.00
VSC Technologies	FRANCE	FC	100.00	100.00	100.00	100.00
WBCP Development Gmbh	AUSTRIA	JV	28.00	28.00	35.00	35.00
Westbahn Management Gmbh	AUSTRIA	JV	28.00	28.00	35.00	35.00
Westeam Gmbh	AUSTRIA	JV	28.00	28.00	35.00	35.00
Groupe Eurostar International Limited (EIL)						
Eurostar Express Limited	UNITED KINGDOM	JV	55.00	55.00	55.00	55.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Eurostar Group	UNITED KINGDOM	JV	55.00	55.00	55.00	55.00
Eurostar International Ltd	UNITED KINGDOM	JV	55.00	55.00	55.00	55.00
Eurostar International S.A.	FRANCE	JV	55.00	55.00	55.00	55.00
Eurostar International SPRL	BELGIUM	JV	55.00	55.00	55.00	55.00
SNCF Proximités						
Itiremia	FRANCE	FC	100.00	100.00	100.00	100.00
RITMx SAS	FRANCE	FC	100.00	98.50	100.00	98.50
SNCF Partenariat	FRANCE	FC	100.00	100.00	100.00	100.00
Transferis	FRANCE	JV	50.00	50.00	50.00	50.00
Groupe KEOLIS						
Aerobag	FRANCE	FC	100.00	69.64	100.00	69.64
Aerolignes	FRANCE	FC	100.00	69.64	100.00	69.64
Aerolis	FRANCE	FC	50.10	34.89	50.10	34.89
Aéroport Angers Marce	FRANCE	FC	100.00	69.64	100.00	69.64
Aéroport de Troyes Barberey	FRANCE	FC	100.00	69.64	100.00	69.64
Aerosat	FRANCE	FC	85.00	59.20	85.00	59.20
Airelle	FRANCE	FC	100.00	69.64	100.00	69.64
Athis Cars	FRANCE	FC	100.00	69.64	99.45	69.26
Autobus de Genval	BELGIUM	FC	100.00	69.64	100.00	69.64
Autobus Dony	BELGIUM	FC	100.00	69.64	100.00	69.64
Autobus Dujardin	BELGIUM	FC	100.00	69.64	100.00	69.64
Autobus Lienard	BELGIUM	FC	100.00	69.64	100.00	69.64
Autobussen Monserez-Verhenne	BELGIUM	FC	100.00	69.64	100.00	69.64
Autocars Delion SAS	FRANCE	FC	100.00	69.64	100.00	69.64
Autocars Planche	FRANCE	FC	100.00	69.64	100.00	69.64
Belbus	BELGIUM	FC	100.00	69.64	100.00	69.64
C.T.C.O.P.	FRANCE	JV	50.00	34.82	50.00	34.82
Caennaise de Services	FRANCE	FC	100.00	69.64	100.00	69.64
Canal TP	FRANCE	FC	100.00	69.64	100.00	69.64
Cardona-Deltenre	BELGIUM	FC	100.00	69.64	100.00	69.64
Cariane Internationale Développement	BELGIUM	FC	100.00	69.64	100.00	69.64
Cariane Littoral	FRANCE	FC	100.00	69.64	100.00	69.64
Cars de Bordeaux	FRANCE	FC	100.00	69.64	100.00	69.64
Cars Planche	FRANCE	FC	100.00	69.64	100.00	69.64
Cie Tpts Méditerranéens	FRANCE	FC	100.00	69.64	100.00	69.64
CINTRA	BELGIUM	FC	100.00	69.64	100.00	69.64
CINTRAL	BELGIUM	FC	100.00	69.64	100.00	69.64
City Trafik	DENMARK	FC	100.00	69.64	100.00	69.64
Citypendeln	SWEDEN	FC	100.00	69.64	100.00	69.64
Compagnie du Blanc Argent	FRANCE	FC	99.41	69.23	99.41	69.23
CSG Commuter Security	SWEDEN	FC	100.00	69.64	100.00	69.64
Devillairs	FRANCE	FC	100.00	69.64	100.00	69.64
Drop & go EURL	FRANCE	FC	100.00	69.64	100.00	69.64
Easybus	FRANCE	NC	0	0	100.00	69.64
EFFIA (HOLDING)	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA CONCESSIONS	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA SEM ROUBAIX	FRANCE	JV	50.00	34.82	50.00	34.82
EFFIA STATIONNEMENT ET MOBILITÉ	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA Stationnement Grenoble	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA STATIONNEMENT LILLE	FRANCE	FC	100.00	69.64	100.00	69.64

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
EFFIA STATIONNEMENT LYON	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA STATIONNEMENT SAINT-ETIENNE	FRANCE	FC	100.00	69.64	0	0
EFFIA Synergies	FRANCE	FC	100.00	69.64	100.00	69.64
EFFIA TRANSPORT	FRANCE	FC	100.00	69.64	100.00	69.64
Eltebe	BELGIUM	FC	100.00	69.64	100.00	69.64
Entreprise Charles Caron	FRANCE	FC	100.00	69.64	100.00	69.64
Eurobus Holding	BELGIUM	FC	100.00	69.64	100.00	69.64
Eurobussing Airport	BELGIUM	FC	100.00	69.64	100.00	69.64
Eurobussing Brussels	BELGIUM	FC	100.00	69.64	100.00	69.64
Eurobussing Wallonie	BELGIUM	FC	100.00	69.64	100.00	69.64
First / Keolis Holdings Limited	UNITED KINGDOM	JV	45.00	31.34	45.00	31.34
First / Keolis Transpennine	UNITED KINGDOM	JV	45.00	31.34	45.00	31.34
First / Keolis Transpennine Holding Ltd	UNITED KINGDOM	JV	45.00	31.34	45.00	31.34
Fjord1 Partner AS	NORWAY	FC	51.00	35.52	51.00	35.52
Flanders Bus	BELGIUM	FC	100.00	69.64	100.00	69.64
Flanders Coach Group	BELGIUM	F	0	0	100.00	69.64
Garage du Perron	BELGIUM	FC	100.00	69.64	99.73	69.45
Garrel et Navarre	FRANCE	FC	100.00	69.64	100.00	69.64
Gep Vidal	FRANCE	FC	100.00	69.64	100.00	69.64
Gie Orset	FRANCE	F	0	0	100.00	69.64
Gino Tours	BELGIUM	FC	100.00	69.64	100.00	69.64
Govia	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
Groupe Keolis SAS	FRANCE	FC	69.64	69.64	69.64	69.64
Groupe Orleans Express	CANADA	FC	100.00	69.64	100.00	69.64
Heyerick	BELGIUM	FC	100.00	69.64	100.00	69.64
Institut Keolis	FRANCE	FC	100.00	69.64	100.00	69.64
Interhone	FRANCE	FC	100.00	69.64	100.00	69.64
Intrabus Orly	FRANCE	FC	100.00	69.64	100.00	69.64
Joye	BELGIUM	FC	100.00	69.64	100.00	69.64
KDR Gold Coast PTY LTD	AUSTRALIA	FC	51.00	35.52	51.00	35.52
KDR Victoria Pty Ltd	AUSTRALIA	FC	51.00	35.52	51.00	35.52
Keolis	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Abbeville	FRANCE	FC	99.02	68.96	99.02	68.96
Keolis Agen	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Aix Les Bains	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Alençon	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis America Inc.	UNITED STATES	FC	100.00	69.64	100.00	69.64
Keolis Amiens	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Angers	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Arles	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Armor	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Arras	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Artois	FRANCE	FC	99.99	69.64	99.99	69.64
Keolis Atlantique	FRANCE	FC	100.00	69.64	99.99	69.64
Keolis Auch	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Aude	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Australie Pty	AUSTRALIA	FC	100.00	69.64	100.00	69.64
Keolis Baie des Anges	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Bassin de Pompey	FRANCE	FC	100.00	69.64	0	0
Keolis Besançon	FRANCE	FC	99.96	69.62	99.96	69.62
Keolis Blois	FRANCE	FC	100.00	69.64	100.00	69.64

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Keolis Bordeaux	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Boulogne sur Mer	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Bourgogne	FRANCE	FC	99.00	68.95	99.00	68.95
Keolis Brest	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Caen	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Cahors	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Calvados	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Camargue	FRANCE	FC	99.97	69.63	99.97	69.63
Keolis Canada Inc	CANADA	FC	100.00	69.64	100.00	69.64
Keolis Centre	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Chalons-en-Champagne	FRANCE	FC	99.24	69.12	99.24	69.12
Keolis Charente Maritime	FRANCE	FC	99.94	69.61	95.14	66.26
Keolis Château Thierry	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Chateauroux	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Châtellerault	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Chaumont	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Chauny - Tergnier	FRANCE	FC	100.00	69.64	0	0
Keolis Cherbourg	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Concarneau	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Conseil et Projets	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Côte d'Azur	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Deutschland Berlin	GERMANY	FC	100.00	69.64	100.00	69.64
Keolis Deutschland COKG	GERMANY	FC	100.00	69.64	100.00	69.64
Keolis Deutschland Verwaltung	GERMANY	FC	100.00	69.64	100.00	69.64
Keolis Dijon	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Drôme Ardèche	FRANCE	FC	100.00	69.64	99.93	69.60
Keolis Drouais	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Emeraude	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis en Cévennes	FRANCE	FC	99.19	69.08	99.19	69.08
Keolis Epinal	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Espagne	SPAIN	FC	100.00	69.64	100.00	69.64
Keolis Eure	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Eure et Loir	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Garonne	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Gascogne	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Gironde (ex SNCOA)	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Grand Tarbes	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Hyderabad Mass Rapid Transit System Private Ltd	INDIA	FC	100.00	69.64	100.00	69.64
Keolis Ille et Vilaine	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Languedoc	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Laval	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Littoral	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Lorient	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Lyon	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Manche	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Maritime	FRANCE	FC	99.00	68.95	99.00	68.95
Keolis Maritime Brest	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Marmande	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Mobilité Hauts de Seine	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Mobilité Roissy	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Montargis	FRANCE	FC	100.00	69.64	100.00	69.64

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Keolis Montélimar	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Montluçon	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Morlaix	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Multimodal International	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Narbonne	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Nederland Holding	NETHERLANDS	FC	100.00	69.64	100.00	69.64
Keolis Nevers	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Nord Allier	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Nordic	SWEDEN	FC	100.00	69.64	100.00	69.64
Keolis Obernai	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Oise	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Orléans	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Oyonnax	FRANCE	FC	100.00	69.64	0	0
KEOLIS PAYS D'AIX	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Pays de Montbéliard	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Pays des Volcans	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Pays Nancéien	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Pays Normands	FRANCE	FC	100.00	69.64	100.00	69.64
KEOLIS PMR RHONE	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Pyrénées	FRANCE	FC	95.16	66.27	95.16	66.27
Keolis Quimper	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Rail Service America	UNITED STATES	FC	100.00	69.64	100.00	69.64
Keolis Rail Service Virginia	UNITED STATES	FC	100.00	69.64	100.00	69.64
Keolis Rennes	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Réseau Départemental Sud Oise	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Rouen Vallée de Seine	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Saint Malo	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Saintes	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Seine Maritime	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Somme	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Sud Allier	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Sud Lorraine	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Sverige	SWEDEN	FC	100.00	69.64	100.00	69.64
Keolis Touraine	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Tours	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Transit America	UNITED STATES	FC	100.00	69.64	100.00	69.64
Keolis Travel Services	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Trois Frontières	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis UK	UNITED KINGDOM	FC	100.00	69.64	100.00	69.64
Keolis Urbest	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Val d' Oise	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Val de Maine	FRANCE	FC	100,00	69.64	100.00	69.64
Keolis Val de Saone	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Val Hainaut	FRANCE	FC	96.32	67.08	96.32	67.08
Keolis Vesoul	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Vichy	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Vlaanderen	BELGIUM	FC	100.00	69.64	100.00	69.64
Keolis Voyages	FRANCE	FC	100.00	69.64	100.00	69.64
Keolis Yvelines	FRANCE	FC	100.00	69.64	100,00	69.64
Kilux	LUXEMBOURG	FC	100.00	69.64	100.00	69.64
KTA	FRANCE	FC	100.00	69.64	100.00	69.64

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
L.I.M. Collard-Lambert	BELGIUM	FC	100.00	69.64	100.00	69.64
Le Cinacien	BELGIUM	FC	100.00	69.64	100,00	69.64
Les Autobus d'Arcachon	FRANCE	FC	100.00	69.64	100.00	69.64
Les Cars du Bassin de Thau	FRANCE	FC	100.00	69.64	100.00	69.64
Les cars Roannais	FRANCE	FC	100.00	69.64	100.00	69.64
Les Courriers Catalans	FRANCE	FC	100.00	69.64	100.00	69.64
Les Courriers d' Ile de France	FRANCE	FC	99.99	69.64	99.99	69.64
Les Courriers Du Midi	FRANCE	FC	100.00	69.64	100.00	69.64
Les Transports Dunois	FRANCE	FC	100.00	69.64	100.00	69.64
Loisirs et Voyages	FRANCE	FC	100.00	69.64	100.00	69.64
London Midland	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
London&South Eastern Railway - LSER	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
Lussiez Tourisme	FRANCE	F	0	0	99.00	66.19
Luxbus	LUXEMBOURG	FC	100.00	69.64	100.00	69.64
Millau Cars	FRANCE	FC	100.00	69.64	100.00	69.64
Monnet Tourisme	FRANCE	FC	100.00	69.64	100.00	69.64
Monts Jura Autocars	FRANCE	FC	100.00	69.64	100.00	69.64
MTI Conseil	FRANCE	FC	100.00	69.64	100.00	69.64
N.V. Autobusbedrijf Bronckaers	BELGIUM	FC	100.00	69.64	100.00	69.64
N.V. Autobussen De Reys	BELGIUM	FC	100.00	69.64	100.00	69.64
Netlog	GERMANY	SI	33.00	22.98	33.00	22.98
New Southern Railway	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
Nottingham Trams Ltd	UNITED KINGDOM	FC	80.00	55.72	80.00	55.72
NV Aotocars De Boeck	BELGIUM	FC	100.00	69.64	100.00	69.64
NV De Boeck Invest	BELGIUM	F	0	0	100.00	69.64
Orgebus	FRANCE	JV	50.00	34.82	50.00	34.63
Pacific Car	FRANCE	FC	100.00	69.64	100.00	69.64
Passerelle CDG	FRANCE	SI	34.00	23.68	34.00	23.68
Pirnay	BELGIUM	FC	100.00	69.64	0	0
Prioris	FRANCE	FC	66.00	45.97	66.00	45.97
Prometro	PORTUGAL	SI	20.00	13.93	20.00	13.93
Ramoudt Tours	BELGIUM	FC	100.00	69.64	100.00	69.64
Reniers & C°	BELGIUM	FC	50.03	34.84	50.03	34.84
Réseau en Vosges	FRANCE	FC	70.00	48.75	70.00	48.75
S.A.D.A.R.	BELGIUM	FC	100.00	69.64	100.00	69.64
S.T.2.L. Westeel	FRANCE	FC	100.00	69.64	100.00	69.64
S.T.A. Chauny	FRANCE	JV	50.00	34.82	50.00	34.82
S.T.E.F.I.M.	FRANCE	FC	100.00	69.64	100.00	69.64
SA ABC Cars	BELGIUM	FC	100.00	69.64	100.00	69.64
SA Sap Drogoul	FRANCE	FC	100.00	69.64	100.00	69.64
SAP Cariane Provence	FRANCE	FC	99.87	69.55	99.87	69.55
Satracom	BELGIUM	FC	100.00	69.64	100.00	69.64
SCAC	FRANCE	FC	100.00	69.64	99.98	69.63
SCAC Bagnis	FRANCE	FC	51.00	35.52	51.00	35.51
Scodec	FRANCE	SI	35.00	24.38	35.00	24.38
SEA Albert-Picardie	FRANCE	FC	50.94	35.48	50.94	35.48
Setver	FRANCE	FC	100.00	69.64	100.00	69.64
SFD	FRANCE	FC	100.00	69.64	100.00	69.64
SLIVIA INC	CANADA	NC	0	0	40.00	27.86
Société de Promotion et d'Exploitation de Parkings	FRANCE	JV	49.97	34.80	49.97	34.80
Société d'Exploitation de l'Aéroport Dole Jura	FRANCE	FC	51.00	35.52	51.00	35.52

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Société du Parc Lyon-Diderot	FRANCE	FC	50.00	34.82	50.00	34.82
Société Nantaise de Fourrière Automobile	FRANCE	FC	100.00	69.64	0	0
Sodetrav	FRANCE	FC	95.07	66.21	95.07	66.21
SOMAP	FRANCE	FC	100.00	69.64	100.00	69.64
Sophibus	BELGIUM	FC	100.00	69.64	100.00	69.64
Southern Railway Ltd	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
SPRL Bertrand	BELGIUM	FC	100.00	69.64	100.00	69.64
SPRL Taxis Melkior	BELGIUM	FC	100.00	69.64	100.00	69.64
SPRL Truck Bus Repair	BELGIUM	FC	100.00	69.64	100.00	69.64
SPRL Voyages F. Lenoir	BELGIUM	FC	100.00	69.64	100.00	69.64
STA	FRANCE	FC	100.00	69.64	100.00	69.64
STA Creilloise	FRANCE	FC	100.00	69.64	100.00	69.64
STCAR	FRANCE	FC	100.00	69.64	100.00	69.64
Sté des tpts urbains d'Oyonnax	FRANCE	FC	100.00	69.64	100.00	69.64
Sté Rennaise Tpts et Services	FRANCE	FC	100.00	69.64	100.00	69.64
Sté Tpts Commun Nimois	FRANCE	FC	100.00	69.64	100.00	69.64
Sté Tpts Robert	FRANCE	FC	100.00	69.64	99.84	69.53
Sté Transports Services Aéroportuaires	FRANCE	FC	100.00	69.64	100.00	69.64
Strasb. d'Enlèv. et de Gard.	FRANCE	FC	100.00	69.64	100.00	69.64
SVTU	FRANCE	FC	100.00	69.64	100.00	69.64
Syntus	NETHERLANDS	FC	100.00	69.64	100.00	69.64
T.C.M. Cars	BELGIUM	FC	100.00	69.64	100.00	69.64
T.I.C.E.	FRANCE	SI	19.00	13.23	18.75	13.05
TDM	FRANCE	F	0	0	100.00	69.64
Thameslink	UNITED KINGDOM	JV	35.00	24.38	35.00	24.38
TPR	FRANCE	FC	100.00	69.64	100.00	69.64
Tpt de la Brière	FRANCE	FC	60.00	41.79	60.00	41.79
Tpts Commun Metropole Lilloise	FRANCE	FC	100.00	69.64	100.00	69.64
Tpts Evrard	FRANCE	FC	100.00	69.64	100.00	69.64
Train Bleu St Marcellin	FRANCE	FC	100.00	69.64	100.00	69.64
Trans Pistes	FRANCE	JV	40.00	27.86	40.00	27.86
Trans Val de Lys	FRANCE	FC	100.00	69.64	99.99	69.64
Transetude	FRANCE	FC	100.00	69.64	100.00	69.64
Transévry	FRANCE	JV	39.43	27.46	39.43	27.46
Transports de l'agglomération de Metz Métropole	FRANCE	SI	40.00	32.41	40.00	32.41
Transports Penning	BELGIUM	FC	100.00	69,64	100.00	69.64
Transroissy	FRANCE	FC	100.00	69.64	100.00	69.64
Trimi	BELGIUM	FC	100.00	69.64	0	0
Var Tour	FRANCE	FC	99.45	65.85	99.45	65.85
Voyages Autocars Services	FRANCE	FC	100.00	69.64	100.00	69.64
Voyages Chargelègue	FRANCE	FC	100.00	69.64	100.00	69.64
Voyages Dourlens	FRANCE	FC	100.00	69.64	100.00	69.64
Voyages MONNET	FRANCE	FC	100.00	69.64	100.00	69.64
Voyages Nicolay	BELGIUM	FC	100.00	69.64	100.00	69.64
VTS Roissy	FRANCE	FC	100.00	69.64	100.00	69.64
West Belgium Coach Company	BELGIUM	FC	100.00	69.64	100.00	69.64
Westhoek	BELGIUM	FC	100.00	69.64	100.00	69.64
SNCF Infrastructure						
EURAILSCOUT France	FRANCE	JV	51.32	51.32	0	0
Europool BV	NETHERLANDS	JV	50.00	50.00	0	0

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
SFERIS	FRANCE	FC	100.00	100.00	100.00	100.00
Groupe SYSTRA						
AFACOR	FRANCE	SI	41.92	41.92	41.92	41.92
Canarail consultant	CANADA	SI	38.00	38.00	38.00	38.00
Citilabs Inc	UNITED STATES	NC	0	0	40.69	40.69
Consulcio Consultor Systra / Cade Idepe / Geoconsult	CHILE	SI	16.77	16.77	16.77	16.77
Foncière du Coq	FRANCE	SI	41.92	41.92	41.92	41.92
Menighetti	FRANCE	SI	41.92	41.92	41.92	41.92
MVA Asia	HONG KONG	SI	41.92	41.92	41.92	41.92
MVA Beijing	CHINA	SI	20.96	20.96	20.96	20.96
MVA Consulting Group	UNITED KINGDOM	SI	41.92	41.92	41.92	41.92
MVA Consulting limited	UNITED KINGDOM	SI	41.92	41.92	41.92	41.92
MVA Hong Kong Limited	HONG KONG	SI	41.92	41.92	41.92	41.92
MVA Shenzen	CHINA	SI	41.92	41.92	41.92	41.92
MVA Singapour	SINGAPORE	SI	41.92	41.92	41.92	41.92
MVA Thaïlande	THAILAND	SI	41.91	41.91	41.91	41.91
RWPM Saudi Arabia	SAUDI ARABIA	SI	18.24	17.29	18.24	17.29
SAS DPR COSEA	FRANCE	SI	0.42	0.42	0	0
SAS MESEA	FRANCE	SI	12.58	12.58	0	0
SEP Ambarès	FRANCE	SI	0.47	0.47	0	0
SEP SGC	FRANCE	SI	18.44	18.44	0	0
SEP SGE	FRANCE	SI	5.45	5.45	0	0
SEP SGS - DP/BT	FRANCE	SI	12.03	12.03	0	0
SEP SGST	FRANCE	SI	20.96	20.96	20.96	20.96
SNSR-PMA JV Saudi Arabia	SAUDI ARABIA	SI	18.24	17.29	18.24	17.29
SOGET	UNITED STATES	SI	41.92	41.92	41.92	41.92
Systra (Shangai) Consulting Co Ltd	CHINA	SI	41.92	41.92	41.92	41.92
Systra Algérie	ALGERIA	SI	41.78	41.78	41.78	41.78
Systra Asia Pacific Ltd	HONG KONG	SI	37.73	37.73	37.73	37.73
Systra Consulting	UNITED STATES	SI	41.92	41.92	41.92	41.92
Systra Inc	UNITED STATES	SI	41.92	41.92	41.92	41.92
Systra India	INDIA	SI	41.92	41.92	41.92	41.92
Systra Korea Co., Ltd	SOUTH KOREA	SI	41.92	41.92	41.92	41.92
Systra Ltd	UNITED KINGDOM	SI	41.92	41.92	41.92	41.92
Systra Maroc	MOROCCO	SI	41.84	41.84	41.84	41.84
Systra Philippines	PHILIPPINES	SI	27.64	27.64	27.64	27.64
Systra SA	FRANCE	SI	41.92	41.92	41.92	41.92
Systra Sotecni SpA	ITALY	SI	41.92	41.92	41.92	41.92
SYSTRACADE	CHILE	SI	20.96	20.96	20.96	20.96

SNCF Geodis

A.A.T.	FRANCE	FC	100.00	96.04	100.00	96.04
AFA	ITALY	JV	50.00	50.00	50.00	50.00
Agrofreight	AUSTRIA	F	0	0	25.00	25.00
Akidis	FRANCE	JV	50.01	48.03	50.01	48.03
AKIEM	FRANCE	FC	100.00	100.00	100.00	100.00
Akiem Maroc	MOROCCO	FC	100.00	100.00	100.00	100.00
Alpes Maritimes Express	FRANCE	FC	100.00	100.00	100.00	100.00
Arca	FRANCE	FC	100.00	100.00	100.00	100.00
Artois Express	FRANCE	FC	49.90	49.90	49.90	49.90
Ateliers d'Orval	FRANCE	FC	100.00	100.00	100.00	100.00
Autotrasporti Ribi S.p.A.	ITALY	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Aveyron Express	FRANCE	FC	100.00	100.00	100.00	100.00
Avirail	FRANCE	FC	51.00	51.00	51.00	51.00
Avirail Italia	ITALY	SI	49.00	49.00	100.00	51.00
Barbour European Ltd	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Batrans	FRANCE	FC	100.00	96.04	100.00	96.04
BCB	GERMANY	FC	100.00	100.00	100.00	100.00
BEnga	ROMANIA	FC	51.00	48.98	51.00	48.98
Blazy	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Grenoble (ex Geodis Theta)	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Lacq (ex Geodis Trepoda)	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Lillebonne	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Martigues	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Metz	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Sens	FRANCE	FC	100.00	100.00	100.00	100.00
BM Chimie Villers Saint Paul	FRANCE	FC	100.00	100.00	100.00	100.00
BM Luxembourg	LUXEMBOURG	FC	100.00	100.00	100.00	100.00
BM Multimodal (Geodis)	FRANCE	FC	100.00	100.00	100.00	100.00
BM Services	FRANCE	FC	100.00	100.00	100.00	100.00
BM Sidérurgie Lorraine (ex Giraud Lorraine)	FRANCE	FC	100.00	100.00	100.00	100.00
BM Virolle	FRANCE	SI	35.50	35.50	35.50	35.50
Bouches du Rhône Express	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil (Holding)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Alsace	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Aquitaine (ex Telf Lamaysouette)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Atlantique (ex Transport Huet)	FRANCE	FC	99.97	99.97	99.97	99.97
Bourgey Montreuil Auvergne	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Champagne Bourgogne	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Deutschland	GERMANY	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Equipement 1	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Equipement 2	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Equipement 3	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Francilienne	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Italia	ITALY	FC	99.75	99.75	99.75	99.75
Bourgey Montreuil Limousin (ex SMC)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Lorraine (ex Sotrameuse)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Nord (ex Transnord)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Normandie	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Presse (ex Beugniet)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Provence	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Rhône-Alpes (ex Foissin)	FRANCE	FC	100.00	100.00	100.00	100.00
Bourgey Montreuil Savoie (ex BM Route)	FRANCE	FC	100.00	100.00	100.00	100.00
Burger Feron (ex Geodis Ricoba)	FRANCE	FC	51.00	51.00	51.00	51.00
C.A.A.T.	FRANCE	FC	100.00	96.04	100.00	96.04
CADEFER	SPAIN	SI	20.00	20.00	20.00	20.00
Calberson Alsace	FRANCE	FC	100.00	99.99	100.00	99.99
Calberson Armorique	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Auvergne	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Bretagne	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Croatia - 4PL	CROATIA	FC	100.00	100.00	100.00	100.00
Calberson Eure et Loir	FRANCE	FC	100.00	100.00	99.04	99.03
Calberson Europe Ile-de-France	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Europe Rhône-Alpes	FRANCE	F	0	0	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Calberson GE	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Grèce	GREECE	FC	52.00	52.00	52.00	52.00
Calberson Ile de France	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson International	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Location	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Loiret	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Lorraine	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Méditerranée	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Moselle	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Normandie	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Oise	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Paris	FRANCE	FC	100.00	100.00	100.00	99.99
Calberson Paris Europe	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Picardie	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Rhône Alpes	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Romania (devise RON) - 4PL	ROMANIA	FC	100.00	100.00	100.00	100.00
Calberson Romania SA	ROMANIA	FC	100.00	100.00	100.00	100.00
Calberson Roussillon	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson SAS	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Seine et Marne	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Sotrab	FRANCE	F	0	0	100.00	100.00
Calberson Sud-Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
Calberson Yvelines	FRANCE	FC	100.00	100.00	100.00	100.00
Calvados Express	FRANCE	FC	100.00	100.00	100.00	100.00
Cap Train Deutschland	GERMANY	FC	100.00	100.00	100.00	100.00
Cap Train Italia	ITALY	FC	100.00	100.00	100.00	100.00
Cap Train UK	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
CapTrain Romania	ROMANIA	FC	100.00	100.00	100.00	100.00
Captrain Belgium SA/NV	BELGIUM	FC	100.00	100.00	100.00	100.00
Captrain Danemark	DENMARK	FC	100.00	100.00	0	0
Captrain Netherlands B.V.	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Captrain Sweden	SWEDEN	FC	100.00	100.00	0	0
Car & Commercial	UNITED KINGDOM	FC	100.00	96.04	100.00	96.04
Car & Commercial deliveries	UNITED KINGDOM	FC	100.00	96.04	100.00	96.04
Car & Commercial land	UNITED KINGDOM	FC	100.00	96.04	100.00	96.04
Cargo Docks	ITALY	FC	100.00	100.00	100.00	100.00
Cargo Link AB	SWEDEN	FC	93.89	93.89	93.89	93.89
CFD Industrie	FRANCE	F	0	0	100.00	100.00
CferJ	FRANCE	FC	100.00	100.00	100.00	100.00
Chalenge International SA	FRANCE	FC	100.00	100.00	100.00	100.00
Challenge International Belgium	BELGIUM	FC	99.98	99.98	99.98	99.98
Challenge Overseas Caraïbes	FRANCE	F	0	0	100.00	100.00
Chaveneau Bernis Transport	FRANCE	FC	99.98	72.40	99.98	72.40
Chemfreight Gmbh	AUSTRIA	JV	34.00	34.00	50.00	50.00
Ciblex Financière	FRANCE	FC	100.00	100.00	100.00	100.00
Cical	FRANCE	SI	49.98	49.98	49.98	49.98
Cofital	FRANCE	FC	100.00	96.04	100.00	96.04
Cogewip	FRANCE	NC	0	0	100.00	95.94
Combined Logistics (Hong Kong) Limited	CHINA	FC	100.00	100.00	100.00	100.00
Compagnie des Conteneurs Réservoirs	FRANCE	FC	99.97	99.97	99.97	99.97
Compagnie Modalohr Express Holding	FRANCE	FC	50.98	50.98	50.98	50.98
COMSA Rail Transport	SPAIN	SI	25.00	25.00	0	0

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Container Finance Company 2 LTD	IRELAND	FC	100.00	100.00	100.00	100.00
CTC	FRANCE	FC	100.00	100.00	95.00	95.00
DE	GERMANY	FC	65.00	65.00	65.00	65.00
Drôme Express	FRANCE	F	0	0	100.00	100.00
Dusolier Calberson	FRANCE	FC	99.94	99.94	99.94	99.94
Ecorail	FRANCE	FC	100.00	100.00	100.00	100.00
ECT	GERMANY	FC	100.00	71.07	100.00	71.07
Egerland France	FRANCE	FC	100.00	83.80	100.00	83.80
Egerland Lease	GERMANY	FC	100.00	19.20	100.00	19.20
Egerland Sud	GERMANY	FC	100.00	71.07	100.00	71.07
Ermechem	FRANCE	FC	100.00	100.00	100.00	100.00
Ermefret Berlin	GERMANY	FC	100.00	100.00	100.00	100.00
Ermewa (Berlin)	GERMANY	FC	100.00	100.00	100.00	100.00
Ermewa (Genève)	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Ermewa (Paris)	FRANCE	FC	100.00	100.00	100.00	100.00
Ermewa Ferroviaire	FRANCE	FC	100.00	100.00	100.00	100.00
Ermewa Ferroviaire (SUISSE)	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Ermewa Holding	FRANCE	FC	100.00	100.00	100.00	100.00
Ermewa Iberica	SPAIN	FC	100.00	100.00	100.00	100.00
Ermewa Intermodal	FRANCE	FC	100.00	100.00	100.00	100.00
Ermewa Intermodal (SUISSE)	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Ermewa Interservices	FRANCE	FC	100.00	100.00	100.00	100.00
Ermewa investissements	FRANCE	FC	51.03	51.03	51.05	51.05
Ermewa Italia	ITALY	FC	100.00	100.00	100.00	100.00
Europe intermodal Holding	FRANCE	FC	100.00	100.00	100.00	100.00
Eurotainer Asie	SINGAPORE	FC	100.00	100.00	100.00	100.00
Eurotainer Australia	AUSTRALIA	FC	100.00	100.00	100.00	100.00
Eurotainer Brasil	BRAZIL	FC	100.00	100.00	100.00	100.00
Eurotainer Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
Eurotainer SAS	FRANCE	FC	100.00	100.00	100.00	100.00
Eurotainer Shanghai	CHINA	FC	100.00	100.00	100.00	100.00
EVS	FRANCE	FC	65.60	65.60	65.60	65.60
Exceed AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Exceed Denmark A/S	DENMARK	FC	100.00	100.00	100.00	100.00
Exceed Sweden AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Férifos	FRANCE	FC	100.00	100.00	100.00	100.00
Ferrus Immo	FRANCE	FC	100.00	96.04	100.00	96.04
Financière Ermewa	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Flandre Express	FRANCE	FC	100.00	100.00	100.00	100.00
Fortec Distribution Network Ltd	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
France Location Distribution	FRANCE	FC	100.00	100.00	100.00	100.00
France Toupie Location	FRANCE	FC	100.00	100.00	100.00	100.00
Froidcombi	FRANCE	JV	49.00	49.00	49.00	49.00
FVE	GERMANY	FC	100.00	100.00	100.00	100.00
Gemafer	FRANCE	F	0	0	100.00	100.00
Geodis Automotive	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Automotive Est	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Automotive Nord	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis BM Germany GMBH	GERMANY	FC	100.00	100.00	100.00	100.00
Geodis BM Iberica	SPAIN	FC	100.00	100.00	100.00	100.00
Geodis BM Netherlands BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis BM Portugal	PORTUGAL	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Geodis BM Réseau	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis BM Sidérurgie Luxembourg	LUXEMBOURG	FC	100.00	100.00	100.00	100.00
Geodis Brock	NEW CALEDONIA	FC	99.85	99.85	99.85	99.85
Geodis Calberson Finland Oy	FINLAND	FC	100.00	100.00	100.00	100.00
Geodis Calberson Aquitaine	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Calberson Belgium	BELGIUM	FC	100.00	100.00	100.00	100.00
Geodis Calberson Bosphorus Lojistik A.S.	TURKEY	FC	100.00	100.00	100.00	100.00
Geodis Calberson Hungaria 4PL	HUNGARY	FC	100.00	100.00	100.00	100.00
Geodis Calberson Hungaria Kft	HUNGARY	FC	100.00	100.00	100.00	100.00
Geodis Calberson Lille Europe	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Calberson Paris Normandie	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Calberson Polska	POLAND	FC	100.00	100.00	100.00	100.00
Geodis Calberson Polska SP zoo 4PL	POLAND	FC	100.00	100.00	100.00	100.00
Geodis Calberson RUS	RUSSIA	FC	100.00	100.00	100.00	100.00
Geodis Calberson Russia 3PL	RUSSIA	FC	100.00	100.00	100.00	100.00
Geodis Calberson s.r.o.	CZECH REPUBLIC	FC	100.00	100.00	100.00	100.00
Geodis Calberson s.r.o. 4PL	CZECH REPUBLIC	FC	100.00	100.00	100.00	100.00
Geodis Calberson Slovensko 4PL	SLOVAKIA	FC	100.00	100.00	100.00	100.00
Geodis Calberson Slovensko s.r.o.	SLOVAKIA	FC	100.00	100.00	100.00	100.00
Geodis Calberson Valenciennes	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Ciblex	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Ciblex Belgium	BELGIUM	FC	100.00	100.00	100.00	100.00
Geodis Ciblex Netherlands BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Division Messagerie Services	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Euromatic Logistics	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Freight Forwarding	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Gestion Immobilière	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Global Lojistik Hizmeller	TURKEY	FC	100.00	100.00	100.00	100.00
Geodis Global Solution Ireland	IRELAND	FC	100.00	100.00	100.00	100.00
Geodis Global Solution Israel	ISRAEL	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Argentina	ARGENTINA	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Argentina (Ecuador)	ECUADOR	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Argentina (Uruguay)	URUGUAY	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Australia	AUSTRALIA	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Austria	AUSTRIA	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Belgium NV	BELGIUM	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Canada	CANADA	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Colombia	COLOMBIA	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Germany	GERMANY	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Italy	ITALY	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Mexico	MEXICO	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Philippines	PHILIPPINES	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Spain	SPAIN	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Switzerland	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions UK	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions USA Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
Geodis Global Solutions Venezuela	VENEZUELA	FC	100.00	100.00	100.00	100.00
Geodis Holding BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Holding Italia	ITALY	FC	100.00	100.00	100.00	100.00
Geodis Holding Japan	JAPAN	FC	100.00	100.00	100.00	100.00
Geodis Iberia Holding	SPAIN	FC	100.00	100.00	100.00	100.00
Geodis Ile-de-France Service	FRANCE	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Geodis Immobiliare Italia	ITALY	FC	100.00	100.00	100.00	100.00
Geodis International	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Interservices	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Ireland Ltd	IRELAND	FC	100.00	100.00	100.00	100.00
Geodis Logistica do Brasil Ltda	BRAZIL	FC	100.00	100.00	100.00	100.00
Geodis Logistics	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Almere BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Logistics Belgium NV	BELGIUM	FC	100.00	100.00	100.00	100.00
Geodis Logistics Beverage	FRANCE	F	0	0	100.00	100.00
Geodis Logistics CAE	FRANCE	F	0	0	100.00	100.00
Geodis Logistics Deutschland GmbH	GERMANY	FC	100.00	100.00	100.00	100.00
Geodis Logistics Europarts	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Ile-de-France	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Maroc	MOROCCO	FC	99.99	99.98	99.99	99.98
Geodis Logistics Netherlands BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Logistics Nord	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Rhône-Alpes	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics S.P.A.	ITALY	FC	100.00	100.00	100.00	100.00
Geodis Logistics Services	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Spain	SPAIN	FC	100.00	100.00	100.00	100.00
Geodis Logistics Sud	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistics Sud-Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Logistique Tunisie	TUNISIA	FC	100.00	50.00	100.00	50.00
Geodis Networks	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Networks 4PL	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Nova Logistics	BELGIUM	FC	60.00	60.00	60.00	60.00
Geodis Oil and Gaz	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Overseas Hong Kong - 4PL	HONG KONG	FC	100.00	100.00	100.00	100.00
Geodis Overseas Hong-Kong Ltd	HONG KONG	FC	100.00	100.00	100.00	100.00
Geodis Overseas India	INDIA	FC	100.00	100.00	100.00	100.00
Geodis Overseas international Forwarding - 4PL	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Overseas International Freight Forwarding (Shenzhen) Co., Ltd	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Overseas Tunisie	TUNISIA	FC	50.00	50.00	50.00	50.00
Geodis OverseasIndia - 4PL	INDIA	FC	100.00	100.00	100.00	100.00
Geodis Projets	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Projets Niger	NIGER	FC	100.00	100.00	100.00	100.00
Geodis Rakotrans s.r.o	CZECH REPUBLIC	FC	52.00	52.00	52.00	52.00
Geodis SA	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis SCO	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis SCO Japan Co. Ltd.	JAPAN	FC	100.00	100.00	100.00	100.00
Geodis solucoesGlobais de Logistica do Brasil	BRAZIL	FC	100.00	100.00	100.00	100.00
Geodis Solutions	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Trans Slovakia s.r.o	SLOVAKIA	FC	100.00	100.00	100.00	100.00
Geodis UK Ltd Logistique contractuelle	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Geodis UK Ltd Messagerie	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Geodis Wilson Argentina S.A.	ARGENTINA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Australia Holdings Pty Ltd	AUSTRALIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Bangladesh Ltd	BANGLADESH	FC	100.00	100.00	100.00	100.00
Geodis Wilson Belgium N.V.	BELGIUM	FC	100.00	100.00	100.00	100.00
Geodis Wilson Canada Limited	CANADA	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Geodis Wilson Chile - 4PL	CHILE	FC	100.00	100.00	100.00	100.00
Geodis Wilson Chile Limitada	CHILE	FC	100.00	100.00	100.00	100.00
Geodis Wilson Chile S.A.	CHILE	FC	99.86	99.86	99.86	99.86
Geodis Wilson Denmark - 4PL	DENMARK	FC	100.00	100.00	100.00	100.00
Geodis Wilson Denmark A/S	DENMARK	FC	100.00	100.00	100.00	100.00
Geodis Wilson Far East Ltd	CHINA	NC	0	0	100.00	100.00
Geodis Wilson Finland - 4PL	FINLAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson Finland Oy	FINLAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson Forwarding Services SDN BHD	MALAYSIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson France	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis wilson Freight Management - 4PL	MALAYSIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Freight Management Holdings AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Freight Management Sdn Bhd, Malaysia	MALAYSIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Germany GmbH & Co KG	GERMANY	FC	100.00	100.00	100.00	100.00
Geodis Wilson Holding AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Hong Kong Ltd.	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Indonesia - 4PL	INDONESIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson International Gmbh	GERMANY	FC	100.00	100.00	100.00	100.00
Geodis Wilson Italia Spa	ITALY	FC	100.00	100.00	100.00	100.00
Geodis Wilson Japan	JAPAN	FC	100.00	100.00	0	0
Geodis Wilson Korea - 4PL	SOUTH KOREA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Korea Ltd	SOUTH KOREA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Kuwait LLC	KUWAIT	FC	100.00	100.00	100.00	100.00
Geodis Wilson Logistics Shanghai Ltd	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Management B.V.	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Wilson Maroc	MOROCCO	FC	100.00	100.00	99.99	99.99
Geodis Wilson Mexico S.A. de C.V.	MEXICO	FC	100.00	100.00	100.00	100.00
Geodis Wilson Netherlands B.V.	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geodis Wilson Network SAS	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Wilson New Zealand - 4PL	NEW ZEALAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson Norway - 4PL	NORWAY	FC	100.00	100.00	100.00	100.00
Geodis Wilson Norway AS	NORWAY	FC	100.00	100.00	100.00	100.00
Geodis Wilson Overseas AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Peru - 4PL	PERU	FC	100.00	100.00	100.00	100.00
Geodis Wilson Peru S.A.	PERU	FC	100.00	100.00	100.00	100.00
Geodis Wilson Polynésie SA	FRENCH POLYNESIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Projects USA, Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
Geodis Wilson Pty Ltd Australia	AUSTRALIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Qatar LLC	QATAR	FC	97.00	97.00	97.00	97.00
Geodis Wilson Réunion	FRANCE	FC	100.00	100.00	100.00	100.00
Geodis Wilson Shanghai - 4PL	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Shanghai Ltd.	CHINA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Singapore - 4PL	SINGAPORE	FC	100.00	100.00	100.00	100.00
Geodis Wilson Singapore Pte Ltd	SINGAPORE	FC	100.00	100.00	100.00	100.00
Geodis Wilson South Africa - 4PL	SOUTH AFRICA	FC	100.00	100.00	100.00	100.00
Geodis Wilson Spain, S.L.U.	SPAIN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Sweden - 4PL	SWEDEN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Sweden AB	SWEDEN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Tai - 4PL	THAILAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson Taiwan - 4PL	TAIWAN	FC	100.00	100.00	100.00	100.00
Geodis Wilson Taïwan Ltd	TAIWAN	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Geodis Wilson Thaï Ltd	THAILAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson Thailand Ltd.	THAILAND	FC	100.00	100.00	100.00	100.00
Geodis Wilson UAE L.L.C	UNITED ARAB EMIRATES	FC	100.00	100.00	100.00	100.00
Geodis Wilson UK Ltd	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Geodis Wilson USA Inc.	UNITED STATES	FC	100.00	100.00	100.00	100.00
Geodis Wilson Vietnam Ltd	VIETNAM	FC	100.00	100.00	100.00	100.00
Geodis Wilson Vietnam Ltd - 4PL	VIETNAM	FC	100.00	100.00	100.00	100.00
Geodis Wilson, South Africa (Pty.) Ltd.	SOUTH AFRICA	FC	100.00	100.00	100.00	100.00
Geodis Wilson. Colombia Ltda	COLOMBIA	FC	100.00	100.00	100.00	100.00
Geodis Wilson. New Zealand Ltd	NEW ZEALAND	FC	100.00	100.00	100.00	100.00
Geodis Wison Transport Ltd, Thailand	THAILAND	FC	100.00	100.00	100.00	100.00
Geodis Züst Ambrosetti S.p.A.	ITALY	FC	100.00	100.00	100.00	100.00
Geodisglob, Solucoes Globais de Logistica	PORTUGAL	FC	100.00	100.00	100.00	100.00
GeodisGlobal Solutions Netherlands BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Geoparts	FRANCE	FC	100.00	100.00	100.00	100.00
Geowaste	FRANCE	FC	100.00	100.00	100.00	100.00
GGS USA Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
GIE Contrôle Qualité Sécurité	FRANCE	FC	92.80	92.80	0	0
GIE France Express	FRANCE	FC	76.29	74.87	76.29	74.50
GIE Prisme	FRANCE	FC	100.00	100.00	100.00	100.00
Giraud CEE	FRANCE	FC	100.00	100.00	100.00	100.00
Giraud International France	FRANCE	F	0	0	100.00	100.00
Giraud International Italia	ITALY	F	0	0	100.00	100.00
Giraud Nord	FRANCE	FC	100.00	100.00	100.00	100.00
Giraud Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
Giraud Rhône-Alpes	FRANCE	FC	100.00	100.00	100.00	100.00
Giraud SRL	ROMANIA	FC	100.00	100.00	100.00	100.00
Gironde Express	FRANCE	FC	100.00	100.00	100.00	100.00
GOGLS Algeria Sarl	ALGERIA	FC	99.99	99.99	99.99	99.99
Grimaldi ACL France	FRANCE	JV	60.00	60.00	40.00	40.00
Groupe MOVIS (constitué de 12 entités)	FRANCE	SI	40.00	40.00	40.00	40.00
GSTM	MOROCCO	FC	99.99	96.62	99.99	96.62
GW Freight Management Brazil	BRAZIL	FC	100.00	100.00	100.00	100.00
Hansebahn Bremen	GERMANY	FC	51.00	51.00	51.00	51.00
Haute Provence Express	FRANCE	FC	100.00	100.00	100.00	100.00
Helf	GERMANY	FC	100.00	94.79	100.00	94.78
HF	FRANCE	F	0	0	50.00	50.00
HTB	GERMANY	FC	100.00	100.00	100.00	100.00
IGB	GERMANY	FC	50.21	50.21	50.21	50.21
Immobilière Geodis I	FRANCE	FC	100.00	100.00	100.00	100.00
Immobilière Geodis II Logistics	FRANCE	FC	100.00	100.00	100.00	100.00
Immolog Paris Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
Instit. de Form. Eur. Multimodal	FRANCE	F	0	0	100.00	100.00
ITL Benelux B.V.	NETHERLANDS	FC	100.00	100.00	100.00	100.00
ITL Cargo Gmbh	GERMANY	FC	100.00	100.00	100.00	100.00
ITL Eisenbahngesellschaft mbH	GERMANY	FC	100.00	100.00	100.00	100.00
ITL Polska	POLAND	FC	100.00	100.00	100.00	100.00
ITL Prag	CZECH REPUBLIC	FC	100.00	100.00	100.00	100.00
ITNOVEM	FRANCE	FC	100.00	100.00	100.00	100.00
Les Courtiers Associés	FRANCE	FC	75.00	38.25	75.00	38.25
Les Rouleurs du Cambresis	FRANCE	FC	100.00	100.00	100.00	100.00
Lexser France	FRANCE	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Lexser Luxembourg	LUXEMBOURG	FC	100.00	100.00	100.00	100.00
Lexsis	LUXEMBOURG	FC	100.00	100.00	100.00	100.00
Logifer	FRANCE	SI	50.00	50.00	50.00	50.00
Logistica	FRANCE	JV	50.00	50.00	50.00	50.00
LORRY Rail	LUXEMBOURG	FC	58.34	58.34	58.34	58.34
MAW	FRANCE	FC	100.00	100.00	100.00	100.00
MAY	FRANCE	F	0	0	100.00	100.00
MF Cargo	HUNGARY	FC	100.00	100.00	100.00	100.00
MG Transports	FRANCE	FC	100.00	100.00	100.00	100.00
MGL	FRANCE	FC	99.91	99.91	99.91	99.91
MOSTVA	POLAND	SI	50.00	48.02	50.00	48.02
Naviland Cargo	FRANCE	FC	99.98	99.98	99.98	99.98
NEB	GERMANY	JV	66.92	33.60	66.92	33.60
Norferrus	FRANCE	FC	100.00	96.04	100.00	96.04
Normanche	FRANCE	FC	100.00	96.04	100.00	96.04
Normandie Rail Services	FRANCE	FC	100.00	100.00	100.00	100.00
Novatrans	FRANCE	NC	0	0	96.68	96.68
Noyon	FRANCE	SI	35.59	35.59	35.59	35.59
One Source Logistics LLC	UNITED STATES	FC	100.00	100.00	100.00	100.00
Ortrans	FRANCE	FC	100.00	96.04	100.00	96.04
P.L.C.	FRANCE	FC	100.00	100.00	100.00	100.00
Pan European Transport UK Logistics	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
Paris 8	FRANCE	FC	100.00	100.00	100.00	100.00
Pelsolutions SA.	CHILE	FC	100.00	100.00	100.00	100.00
Perfectrans	FRANCE	FC	96.00	96.00	0	0
Pergesco	SWITZERLAND	F	0	0	100.00	100.00
Pharmalog	FRANCE	FC	100.00	100.00	100.00	100.00
PT Geodis Wilson Indonesia	INDONESIA	FC	10000	100.00	100.00	100.00
Rail4Captrain Gmbh	GERMANY	FC	100.00	100.00	100.00	100.00
Railcar Finance Company 2 LTD	IRELAND	FC	100.00	100.00	100.00	100.00
RBB	GERMANY	FC	100.00	100.00	100.00	100.00
Recontec	GERMANY	FC	100.00	71.07	100.00	71.07
Rhône Dauphiné Express	FRANCE	FC	100.00	100.00	100.00	100.00
Rhône Ferrus	FRANCE	FC	100.00	96.04	100.00	96.04
Rohde & Liesenfeld Canada Inc.	CANADA	SI	50.00	50.00	50.00	50.00
Rohde & Liesenfeld International GmbH & Co. KG	GERMANY	FC	100.00	100.00	100.00	100.00
Rohde & Liesenfeld Project GMBH (India)	INDIA	FC	100.00	100.00	100.00	100.00
Rohde & Liesenfeld Projects (China) Ltd.	CHINA	FC	100.00	100.00	100.00	100.00
Rohde & Liesenfeld Projects GmbH	GERMANY	FC	100.00	100.00	100.00	100.00
Rohde & Liesenfeld Pty. Ltd. Australia	AUSTRALIA	NC	0	0	100.00	100.00
Rohde & Liesenfeld Verwaltungsges. mbH	GERMANY	FC	100.00	100.00	100.00	100.00
Rohde & Liesenteld Ltd.New Zealand	NEW ZEALAND	NC	0	0	100.00	100.00
S.G.W.	FRANCE	FC	100.00	100.00	100.00	100.00
S.M.T.R. Calberson	FRANCE	FC	100.00	100.00	100.00	100.00
S.N.T.C.	FRANCE	FC	100.00	96.04	100.00	96.04
SARI	FRANCE	FC	100.00	100.00	100.00	100.00
SCI BM Chelles	FRANCE	FC	100.00	100.00	100.00	100.00
SCI BM Le Fontanil	FRANCE	FC	100.00	100.00	100.00	100.00
SCI BM Mery	FRANCE	FC	100.00	100.00	100.00	100.00
SCI BM Salaise	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Borny	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Ceretif	FRANCE	NC	0	0	100.00	95.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
SCI Charval	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Danjoutin	FRANCE	FC	100.00	100.00	100.00	100.00
SCI de la Brèche	FRANCE	FC	100.00	100.00	100.00	100.00
SCI de la Poudriere	FRANCE	FC	100.00	100.00	100.00	100.00
SCI de Vaux	FRANCE	FC	100.00	100.00	100.00	100.00
SCI du Rouvray	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Etupes	FRANCE	FC	100.00	100.00	100.00	100.00
SCI FGH	FRANCE	FC	75.00	67.00	75.00	63.00
SCI Horizons	FRANCE	FC	100.00	100.00	100.00	100.00
SCI JCC	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Le Polygone	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Alsace	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Bretagne	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Champagne Ardennes	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Ile-de-France	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Normandie	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Sud-Est	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Région Sud-Ouest	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Royneau Le Coudray	FRANCE	FC	100.00	100.00	10000	99.05
SCI Voujeaucourt	FRANCE	FC	100.00	100.00	100.00	100.00
SD Calberson	FRANCE	FC	99.99	99.99	99.98	99.98
Sealogis	FRANCE	FC	100.00	100.00	100.00	100.00
SEGI	FRANCE	FC	100.00	100.00	100.00	100.00
Seine Express	FRANCE	FC	100.00	100.00	100.00	100.00
Sénart Affrètement	FRANCE	FC	65.00	65.00	65.00	65.00
SEP Transpul	FRANCE	FC	100.00	41.50	100.00	41.50
Setcargo	FRANCE	FC	100.00	100.00	100.00	100.00
Setrada	FRANCE	FC	100.00	96.04	100.00	96.04
Setram	SPAIN	SI	25.00	24.01	25.00	24.01
Shanghaï E&T Calberson Overseas	CHINA	FC	100.00	100.00	100.00	100.00
SIBELIT	LUXEMBOURG	SI	42.50	42.50	42.50	42.50
Smethwick Properties Management Ltd	UNITED KINGDOM	FC	100.00	100.00	100.00	100.00
SNC Bercy	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Fret Deutschland Gmbh	GERMANY	FC	100.00	100.00	100.00	100.00
SNCF Geodis Services	FRANCE	FC	100.00	100.00	100.00	100.00
Sogewag	FRANCE	NC	0	0	100.00	96.07
Somap	FRANCE	FC	81.75	81.75	81.75	81.75
Somedat	FRANCE	FC	100.00	96.04	100.00	96.04
Soptrans	FRANCE	FC	100.00	96.04	100.00	96.04
Sopyrim	FRANCE	FC	100.00	96.04	100.00	96.04
Sotraf	FRANCE	FC	100.00	96.04	100.00	96.04
Sté Propriétaire Wagons Modalohr	FRANCE	FC	100.00	50.98	100.00	50.98
STSI	FRANCE	FC	99.45	99.45	99.45	99.45
STVA SA	FRANCE	FC	96.04	96.04	96.04	96.04
STVA UK	UNITED KINGDOM	FC	100.00	96.04	100.00	96.04
TBB	GERMANY	FC	100.00	100.00	100.00	100.00
Tchad Cameroon Logistics Inc	UNITED STATES	NC	0	0	88.63	88.62
TCL Cameroun	CAMEROON	FC	100.00	100.00	100.00	100.00
TCL Tchad	TCHAD	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Tethys	FRANCE	FC	100.00	96.04	100.00	96.04
TGP	FRANCE	FC	100.00	100.00	100.00	100.00
Thales Geodis Freight & Logistics	FRANCE	JV	50.00	50.00	50.00	50.00
TIBERCO	ITALY	FC	100.00	100.00	100.00	100.00
Transalpin Eisenbahn AG	SWITZERLAND	FC	100.00	100.00	100.00	100.00
Transfer International	FRANCE	FC	98.37	98.37	98.37	98.37
Transport Ferroviaire Holding	FRANCE	FC	100.00	100.00	100.00	100.00
Transport Ferroviaire Services	FRANCE	FC	100.00	100.00	100.00	100.00
Transport Logistique Partenaires	FRANCE	FC	100.00	100.00	100.00	100.00
Transports Bernis	FRANCE	FC	67.69	67.69	67.69	67.69
Transports J. Savin	FRANCE	FC	100.00	100.00	100.00	100.00
Transportvoiture	BELGIUM	FC	99.95	96.00	99.95	96.00
Transquercy	FRANCE	FC	100.00	100.00	100.00	100.00
Transwaters	FRANCE	JV	50.00	50.00	50.00	50.00
TWE	GERMANY	FC	100.00	100.00	100.00	100.00
Uniroute	FRANCE	FC	100.00	96.04	100.00	96.04
Val Ferrus	FRANCE	FC	100.00	96.04	100.00	96.04
Valenda	FRANCE	FC	100.00	100.00	100.00	100.00
Valtrans	FRANCE	FC	100.00	96.04	100.00	96.04
Var Express	FRANCE	F	0	0	100.00	100.00
VC Italia	ITALY	FC	100.00	100.00	100.00	100.00
VFLI	FRANCE	FC	100.00	100.00	100.00	100.00
VIIA	FRANCE	FC	100.00	100.00	100.00	100.00
VIIA CONNECT BOURGNEUF-AITON	FRANCE	FC	100.00	100.00	100.00	68.14
Vilogistique	FRANCE	FC	100.00	96.04	100.00	96.04
Vitesse Logistics BV	NETHERLANDS	FC	100.00	100.00	100.00	100.00
Walbaum	FRANCE	FC	99.76	99.76	99.76	99.76
Waren Shipping	FRANCE	FC	100.00	100.00	100.00	100.00
WEA	GERMANY	FC	74.00	71.07	74.00	71.07
Wilson Denmark Holding A/S STP	DENMARK	FC	100.00	100.00	100.00	100.00
XP LOG	FRANCE	FC	99.97	99.97	99.97	99.97
Gares & Connexions						
A2C	FRANCE	FC	100.00	100.00	100.00	100.00
AREP	FRANCE	FC	100.00	100.00	100.00	100.00
AREP Groupe	FRANCE	FC	100.00	100.00	100.00	100.00
AREP Pekin	CHINA	FC	100.00	100.00	100.00	100.00
AREP Vietnam	VIETNAM	FC	100.00	100.00	100.00	100.00
AREP Ville	FRANCE	FC	100.00	100.00	100.00	100.00
Parvis	FRANCE	FC	100.00	100.00	100.00	100.00
Sté d'Aménagement Mézzanine Paris Nord	FRANCE	FC	60.00	60.00	60.00	60.00
VALGA	FRANCE	FC	100.00	100.00	100.00	100.00
Fonctions Communes et Participations						
Eco-Mobilité Partenaires SAS	FRANCE	FC	100.00	100.00	100.00	100.00
Ecomobilité Ventures	FRANCE	JV	54.29	54.29	56.71	56.71
Espaces Ferroviaires Aménagement	FRANCE	FC	100.00	100.00	99.99	99.99
Espaces Ferroviaires Résidences du Rail	FRANCE	FC	100.00	100.00	100.00	100.00
Espaces Ferroviaires Transactions	FRANCE	FC	100.00	100.00	100.00	100.00
EUROFIMA	SWITZERLAND	SI	22.60	22.60	22.60	22.60
GARE	FRANCE	FC	100.00	100.00	100.00	100.00

Company	Country	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
GIE Eurail Test	FRANCE	JV	90.00	90.00	90.00	90.00
ICF	FRANCE	FC	100.00	100.00	100.00	100.00
MASTERIS	FRANCE	FC	100.00	100.00	100.00	100.00
NOVEDIS-ICF	FRANCE	FC	99.98	99.98	99.98	99.98
Noviaserv	FRANCE	FC	100.00	100.00	100.00	100.00
Orfea- SERHR	FRANCE	FC	50.00	50.00	50.00	50.00
S2FIT	FRANCE	FC	100.00	100.00	100.00	100.00
S2FIT1	FRANCE	FC	100.00	100.00	100.00	100.00
SA Chateau d'Arcy	FRANCE	FC	98.08	98.08	98.08	98.08
SCI du Cercle	FRANCE	FC	100.00	100.00	100.00	100.00
SCI La Chapelle	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Ney	FRANCE	FC	100.00	100.00	100.00	100.00
SCI Paradis Clichy	FRANCE	FC	100.00	100.00	100.00	100.00
SNC Monceau	FRANCE	FC	100.00	100.00	100.00	100.00
SNC VEZELAY	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF America Inc	UNITED STATES	FC	100.00	100.00	100.00	100.00
SNCF Conseil	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Développement	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Energie	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF International	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Interservices	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF Participations	FRANCE	FC	100.00	100.00	100.00	100.00
SNCF RE	LUXEMBOURG	FC	100.00	100.00	100.00	100.00
Société des Trains Expositions (STE)	FRANCE	FC	99.99	99.99	100.00	100.00
Ste Nationale d Espaces Ferroviaires	FRANCE	FC	100.00	100.00	100.00	100.00
STELSIA	FRANCE	FC	100.00	100.00	100.00	100.00
Trans'actif Immobilier	FRANCE	FC	100.00	100.00	100.00	100.00

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the assignment entrusted to us by the French Minister for the Economy, Industry and Employment on 21 April 2008, we hereby report to you, for the year ended 31 December 2013, on:

— the audit of the accompanying consolidated financial statements of SNCF;

— the justification of our assessments;

— the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France, with the exception of the item described in the following paragraph. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As stated in Note 8.2.1 to the consolidated financial statements, SNCF announced its new Rail Freight Transport Master Development Plan to the public in September 2009. The plan is currently being rolled out and as a result, SNCF has reorganised its activities. Accordingly, the methods used to assess Fret SNCF production resources have been adapted.

To date, given the progress of the project, and the current documentation on business and profitability forecasts, the values in use adopted have been determined based on a methodology and assumptions that do not meet IFRS requirements. In addition, the European market for the sale and leasing of locomotives is restricted and transactions are limited. Consequently, the values adopted may not be representative of market values.

Accordingly, we are unable to express an opinion as to the recoverable amount of Fret SNCF production resources, whose carrying amount after depreciation and amortisation stood at €1.4 billion before impairment of €1.0 billion. This matter had already been the subject of a qualification in prior fiscal years.

Subject to this qualification, in our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to:

— Note 1.3 "Amendments to the financial year and comparative financial years", which describes the conditions and the impact of the first-time application of IAS 19R, as well as the early adoption of other new accounting standards, in particular IFRS 11.

— Note 3.2 "Reversal of the impairment loss recognised for SNCF Infrastructure – Works and Maintenance" and Note 8.2.2.1 "SNCF Infrastructure – Works and Maintenance CGU", which describe the conditions and the impact of the reversal of the impairment loss previously recognised on "SNCF Infrastructure – Works and Maintenance" CGU assets, in an amount of €546 million.

— Note 3.3, "Impairment loss recognised for the TGV France and Europe (excluding Eurostar) CGU" and Note 8.2.2.2 "TGV France and Europe (excluding Eurostar) CGU", which describe the conditions and the impact of the impairment loss recognised on "TGV France and Europe (excluding Eurostar)" CGU assets in an amount of €1,400 million.

II. JUSTIFICATION OF OUR ASSESSMENTS

As stated in Note 1.2 to the consolidated financial statements, the accounting estimates used in the preparation of the consolidated financial statements for the year ended 31 December 2013 were made within a context of uncertainty regarding the business outlook. It is in this context that, in accordance with the provisions of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters, in addition to those which resulted in the qualification set out above:

— As stated in Notes 2.8, 3.2 and 3.3 to the consolidated financial statements, SNCF carried out impairment tests on its assets.
– Goodwill, which amounted to a total of €1.4 billion, was tested for impairment in accordance with the principles described in Note 2.8 to the consolidated financial statements. Our work involved reviewing the methods used to implement these tests, which are based on the discounted future cash flows of the businesses in question; assessing the consistency of the assumptions used with the forecast data included in the business plans as revised at the 2013 year-end; and verifying the disclosures provided in Notes 8 and 12.
– When indications of impairment loss were identified, SNCF carried out impairment tests on the assets related to the businesses concerned. We reviewed the methods used by SNCF to implement these tests, and the cash flow forecasts and assumptions used, and verified the disclosures provided in Notes 8 and 12.

— As stated in Note 2.17, the Group recognises deferred tax assets in the statement of financial position on the basis of forecasts of future taxable profits. We reviewed the methods used for recognising deferred tax assets as well as the earnings forecasts and underlying assumptions. Our work in relation to these figures and assumptions enabled us to assess the appropriateness of the estimates used and disclosures provided in Note 11.

— Note 1.3 "Amendments to the financial year and comparative financial years" to the consolidated financial statements, which describes the accounting changes during the year following the application of IAS 19R, as well as the adoption of other new accounting standards, in particular IFRS 11. In accordance with the transitional provisions of these standards and with IAS 8, the comparative data relating to 2012, presented in the consolidated financial statements, has been restated to retrospectively take into account the application of the new standards. As a result, the comparative information differs from that in the published consolidated financial statements for 2012. When reviewing the accounting principles applied by SNCF, we verified that the 2012 financial statements had been correctly restated and that Note 1.3 to the consolidated financial statements provided appropriate disclosures.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

With the exception of the possible impact of the matters set out in the first part of this report, we have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, 13 February 2013

The Statutory Auditors

Mazars	**PricewaterhouseCoopers Audit**
Franck Boyer	Éric Bertier
Lionel Gotlib	Philippe Vincent

03— REPORT ON THE SNCF GROUP’S CORPORATE GOVERNANCE AND INTERNAL CONTROL

CHAIRMAN'S REPORT ON THE TERMS AND CONDITIONS GOVERNING THE PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK AND THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The report on the terms and conditions governing the preparation and organisation of the Board of Directors' work and the internal control and risk management procedures was presented by the Chairman to the Board of Directors.

The report is based on the reference framework of the AMF (French Securities Regulator).

The main improvements to the SNCF internal control and risk management functions for 2013 concern the following:

— The reference, with respect to governance, to law no. 2011-103 of 27 January 2011 relating to the balanced representation of men and women on Boards of Directors. Following the renewal of the Board of Directors subsequent to the law's publication, one third of the SNCF Directors appointed by decree are women, thus exceeding by 20% the interim objective set by the law.

— The acquisition of an internal control tool and its use at the end of 2013 for an extensive self-assessment campaign covering some fifteen processes and approximately 400 entities mainly belonging to the parent company. Self-assessment campaigns were also conducted within Geodis and certain subsidiaries of SNCF Voyages.

— The Ethics Department's drafting of a practical guide for HR management regarding the application of secularity and neutrality principles at SNCF.

— The Cohesion and Human Resources Department's drafting of a preventive action plan to continuously reduce the frequency and severity of work-related accidents.

— The revision, as at 1 January 2014, of RA00324 concerning fire safety management for property occupied or owned by SNCF.

— The improved follow-up of audit engagement recommendations. The purpose of the new procedures initiated in 2013 is to provide a closer follow-up as a continuation of the engagement.

— The consolidation by the Audit and Risk Department's management team of all the work conducted by the divisions, sectors and the management and its alignment with the strategic objectives of the Excellence 2020 corporate plan.

— The redefinition of the internal control correspondent function, in relation to the work of the IFACI on the subject, and the promotion of this role among the various management / finance players.

— The extension of the network internal control managers with the creation of this function within Transilien and Keolis.

This report is available on simple request from the SNCF Audit and Risk department – 1-7 place aux Etoiles – 93212 LA PLAINE ST DENIS CEDEX.

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