



SNCF RÉSEAU

GREEN BOND ISSUANCE PROGRAMME UPDATE
AS OF 17 MARCH 2017

Ticker : RESFER

RESTRICTED -



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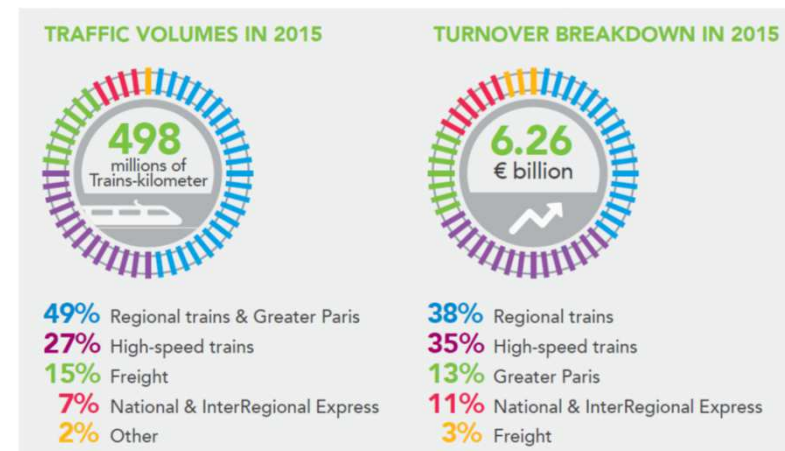
01. COMPANY OVERVIEW

SNCF RÉSEAU AND THE FRENCH RAILWAY NETWORK

SNCF RÉSEAU IS THE OWNER AND MANAGER OF THE FRENCH RAILWAY INFRASTRUCTURE

SNCF RÉSEAU MAIN RESPONSIBILITIES

- + Ensure a fair access to the French network,
- + Organize train services and development of rail traffic,
- + Ensure maintenance and enhancement of rail assets,
- + Ensure the development of the network.



SNCF Réseau aims to ensure, develop & operate a reliable, highly efficient and attractive network

15,000 trains - 5 million passengers - 250 000 tons of goods carried every day

CREDIT RISK EQUAL TO THE FRENCH STATE

As a 100% State-owned public entity, SNCF Réseau benefits from a **strong support from the French State** based on its legal status (EPIC).

As an EPIC, SNCF Réseau :

- + is not subject to private-sector bankruptcy law,
- + may only be dissolved by an amending law transferring its rights and obligations to another public entity.

SNCF Réseau :

- + performs a public sector mission and enjoys a natural monopoly position as the sole owner and manager of the French railway infrastructure with no risk of deregulation,
- + was included in the “Government Related Entity” list by the European Commission in 2002 and is eligible to the ECB Public Sector Purchasing Programme.

RATINGS	LONG-TERM	SHORT-TERM
Fitch	AA	F1+
Moody's	Aa2	P-1
Standard & Poor's	AA	A-1+

SNCF Réseau debt is seen by credit rating agencies as implicitly guaranteed by the French State

02.

SNCF RÉSEAU GREEN BOND STRATEGY: WHERE DO WE STAND AND WHAT'S NEXT ?

SNCF RÉSEAU GREEN BOND FRAMEWORK

SNCF RÉSEAU FRAMEWORK IS IN LINE WITH THE GREEN BOND PRINCIPLES

USE OF PROCEEDS :

- + An amount equal to net proceeds will be allocated to investments defined as “Eligible Green Projects”,
- + Eligible Green Projects include new and ongoing projects with disbursements up to 2 years prior to the Notes issuance.

INVESTMENTS RELATED TO MAINTENANCE,
UPGRADE AND ENERGY EFFICIENCY OF THE
RAIL SYSTEM

- + This category includes projects related to SNCF Réseau’s efforts to ensure the efficiency of the rail system throughout its various worksites,
- + Typology of projects could be: track, catenary or signaling system upgrade, electrification of lines, etc.

INVESTMENTS RELATED TO NEW RAIL LINES
AND RAIL LINES EXTENSIONS

- + Investments related to new rail lines and rail lines extensions which ensure access to the network and the efficient movement of people and freight, for example, LGV Est-Européenne, LGV SEA, etc.

OTHER INVESTMENTS LINKED TO THE GLOBAL
CLIMATE CHANGE CHALLENGES, THE
PROTECTION OF BIODIVERSITY AND NATURAL
RESOURCES

- + This category will include projects which ensure the inclusion of the protection of biodiversity and natural resources in the management approach of the existing railway network.

GREEN BOND PROGRAMME ELIGIBLE ASSETS PORTFOLIO

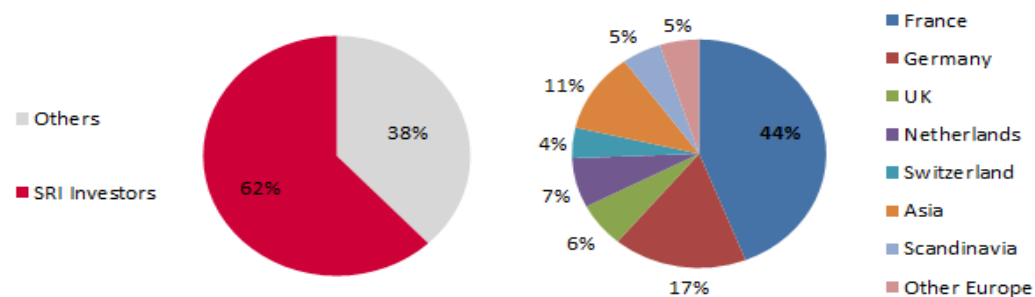
SNCF RÉSEAU GREEN BOND'S CATEGORIES	TYPOLOGY OF PROJECTS	INVESTMENT	
		IN € MILLION	
		2016	2017
INVESTMENTS RELATED TO MAINTENANCE, UPGRADE AND ENERGY EFFICIENCY OF THE RAIL SYSTEM	Track, ballast, sleepers & switches	1120	943
	catenary's system renewal	12	41
	signalling's system renewal	303	234
	ss-total :	1435	1218
INVESTMENTS RELATED TO NEW RAIL LINES AND RAIL LINES EXTENSIONS	LGV EE Phase 2 (2016), LGV SEA (2017), LGV BPL (2017), LGV CNM (2017)...	414	287
OTHER INVESTMENTS LINKED TO THE GLOBAL CLIMATE CHANGE CHALLENGES, THE PROTECTION OF BIODIVERSITY AND NATURAL RESOURCES	Currently examples are not yet available in this category but are expected to be developed over time.	nd	nd
	Total	1 849	1 505

SNCF RÉSEAU AIMS TO ISSUE AT LEAST ONE GREEN BOND BENCHMARK EVERY YEAR

BACK ON THE INAUGURAL ISSUE (1/2) : RESFER 1% NOV 2031 900M€

Transaction Summary :	
Issuer :	SNCF Réseau
Rating :	Aa2(Moody's / AA(S&P) / AA(Fitch)
Order books :	EUR 1,36 bn
Final size :	EUR 900 millions
Issue date :	27 october2016
Settlement date :	9 november 2016
Maturity date :	9 november 2031
Price / Reoffer yield :	98,570% / 1,104%
Coupon :	1% annual
Spread :	OATs + 31 bp

DISTRIBUTION BY GEOGRAPHY & TYPE (% OF ALLOCATION)



BACK ON THE INAUGURAL ISSUE (2/2) : RESFER 1% NOV 2031 900M€

Allocation :

- + A fully allocated inaugural green bond 2016 as of march first 2017,
- + A green bond allocation in line with the framework dedicated mainly to SNCF Réseau renovation program.

Investments in M€	Theoretical allocation		As of December 2016		Green Bond allocation 2016
	Forecast 2016	Split	Perimeter Green Bonds	Split	
Maintenance & upgrade	1 306	76%	1 435	78%	687
Track, ballast, sleepers ...	855		916	64%	439
Switches			204	14%	98
Signalling's system renewal	357		303	21%	145
Catenary's system renewal	94		12	1%	6
New lines & lines extensions	414	24%	414	22%	198
LGV EE phase 2					
SEA					
BPL					
CNM					
Others projects	0	0%	0	0%	0
Total	1 720		1 849		885

03. REPORTING & METRICS

SECOND OPINION & CLIMATE CERTIFICATION

SECOND OPINION

SNCF Réseau has selected Oekom research to deliver a “Second Party Opinion” on this framework in order to provide investors an independent assessment on the alignment of the framework with the Green Bond Principles.



CLIMATE BOND CERTIFICATION

Each Green bond issue will be reviewed by an independent assessment on the alignment of the framework with the *Climate Bonds Initiative* delivered by Oekom research.



SNCF RÉSEAU'S REPORTING & CARBONE METHODOLOGY

REPORTING :

An annual report will be established by SNCF Réseau and will focus on the actual allocation of funds to eligible projects (certified by independent financial auditors) and the monitoring of metrics by type of eligible project categories.

SNCF Réseau has committed, ahead of its inaugural issuances's anniversary, to :

- + Finalize, in partnership with **Carbone 4**, and publish a detailed methodology for evaluating Greenhouse gas emissions and avoidances related to the renovation of railway infrastructure,
- + Publish the 1st Green Bond Report from SNCF Réseau

METRICS RELATED TO THE ELIGIBLE GREEN PROJECTS

CATEGORIES	METRICS
INVESTMENTS RELATED TO MAINTENANCE, UPGRADE AND ENERGY EFFICIENCY OF THE RAIL SYSTEM	<p>Issued and avoided emissions:</p> <ul style="list-style-type: none"> + Total GHG emissions of the renewal project (t CO₂ eq) + Modal shift + Total GHG emissions saved thanks to the renewal project (t CO₂ eq) <p>Frequency</p> <p>Natural resource preservation :</p> <ul style="list-style-type: none"> + Share of re-used rails from the renewal project (tons of steel) + Share of recycled rails (tons of steel) + Share of ballast re-used on the renewal project (tons) + Volume of wooden sleepers recycled for energy purposes (tons) + Number of kilometers of catenary replaced
INVESTMENTS RELATED TO NEW RAIL LINES AND RAIL LINES EXTENSIONS	<p>Issued and avoided emissions :</p> <ul style="list-style-type: none"> + Total GHG emissions of the project (t CO₂ eq) + Modal shift + Total GHG emissions saved thanks to the project (t CO₂ eq) <p>Natural resource preservation :</p> <ul style="list-style-type: none"> + KWh generated / saved & volume of water re-used + Number of hectares compensated + Soil volume re-used
OTHER INVESTMENTS LINKED TO THE PROTECTION OF BIODIVERSITY AND NATURAL RESOURCES	Currently metrics are not yet available in this category but are expected to be developed over time

SNCF RÉSEAU'S CSR POLICY

SNCF RÉSEAU'S CSR PERFORMANCE IS RATED BY NON-FINANCIAL RATING AGENCIES WITH STRONG PROGRESSION OVER THE LAST 18 MONTHS

AGENCY	RATING 2016	RAKING
VIGÉO	49/100	#6 out of 29 companies
OEKOM research	C+	#5 out of 45 companies

ENVIRONMENT SCORE : 61/100 (Vigéo)

"The main elements accounting for the score increase remain the more exhaustive approach to management of climate change issues through more reliance on renewable energy and facilities and fleet optimisation programmes throughout the Company's operations."

According to **Vigéo**, SNCF Réseau's overall ranking in the Transport & Logistics sector is **#6 out of 29 companies**
"A robust performance is displayed regarding the Environment and Social pillars, which appear to be the main drivers of SNCF Réseau's performance."

According to **Oekom research**, SNCF Réseau's overall ranking in the Transportation Infrastructure sector is **#5 out of 45 companies**
"Mainly active in the operation of environmentally sound rail infrastructure; adequate measures to minimize transport-related noise emissions; reasonable measures to ensure health and safety of users, inhabitants and/or passers-by"

CONTACTS

- + Guillaume HINTZY – Executive Director Financing and Treasury (guillaume.hintzy@reseau.sncf.fr)
- + Etienne OBERTHÜR – Head of Treasury Operations (etienne.oberthur@reseau.sncf.fr)
- + Sophie JALABERT - Corporate social responsibility (sophie.jalabert@reseau.sncf.fr)

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