

Rating object	Rating information	
<p>Long-Term Local Currency Senior Unsecured Issues</p> <p>Type of issues: Long-term local currency senior unsecured issues Home Market: Euronext Paris Issuer: EPIC SNCF Mobilités Guarantor: --</p>	<p>Corporate Issuer Rating: AA- / negative</p> <p>LT Senior Unsecured Issues, LC: AA-</p> <p>Rating Date: 8 October 2018 Monitoring until: withdrawal of the rating Publication Date: 16 October 2018 Rating methodology: CRA „Corporate Issue Ratings“ Rating history: www.creditreform-rating.de</p>	<p>Type: Initial rating Unsolicited</p> <p>Other: n.r.</p>

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Transaction summary

Object of this rating are the long-term (“LT”) local currency (“LC”) senior unsecured issues (“Notes”) issued by *Établissement Public à caractère Industriel et Commercial* SNCF Mobilités (“EPIC SNCF Mobilités”). The Notes have been issued within the framework of a Euro Medium Term Note Programme (“EMTN Programme”), of which the latest base prospectus dated 21 March 2018. The Notes are unsecured and are issued in Series from time to time with different interest payments and maturities. The issues proceeds are applied to refinance existing debt and finance the general financing requirements of the issuer.

The rating of AA- represents a very high level of credit quality with a very low investment risk.

In accordance with CRA methods, this unsolicited corporate issue rating is derived from EPIC SNCF Mobilités’ unsolicited corporate issuer rating, which was first prepared on 1 February 2017 (initial rating), monitored and updated on 31 August 2018. Information about the current unsolicited corporate issuer rating of EPIC SNCF Mobilités and its rating report are available on the website of Creditreform Rating AG.

Issue rating details

Issuer

The *Établissement Public à caractère Industriel et Commercial* SNCF Mobilités offers transport services (passengers and freight) as well as mass transit in urban areas and is responsible for the management of French railway stations. The company operates in 120 countries. An EPIC cannot be liquidated or file for bankruptcy proceedings; it can only be dissolved by law. The company is fully owned by the holding company SNCF, which is 100% owned and controlled by the French government.

In 2017, EPIC SNCF Mobilités recorded increasing consolidated revenue at EUR 31.8 bn (2016: EUR 30.5 bn) and improved EBIT at EUR 1.7 bn (2016: EUR 1.2 bn) and an EAT of EUR 1.1 bn (2016: EUR 0.5 bn). The company employed 201,816 people and invested EUR 2.2 billion in 2017, of which 51% for the acquisition and maintenance of rail and road rolling stocks and 35% for the acquisition and developments of railway stations.

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The following table shows some key financials of EPIC SNCF Mobilités for the last 2 years.

Table 1: Financials of EPIC SNCF Mobilités | Source: EPIC SNCF Mobilités annual report 2017, standardized by CRA

Financial ratios´ extract Basis: consolidated annual statement per 31.12 (IFRS)	Standardized balance sheet	
	2016	2017
Revenues	EUR 30,517 million	EUR 31,831 million
EBITDA	EUR 2,633 million	EUR 3,087 million
EBIT	EUR 1,191 million	EUR 1,665 million
EAT	EUR 511 million	EUR 1,136 million
Total assets adj.	EUR 34,736 million	EUR 36,471 million
Equity ratio adj.	5.2 %	6.7 %
Capital lock-up period	54,3 days	52,1 days
Short-term capital lock-up	26.5 %	27.2 %
Return on investment	2.3 %	4.0 %
Net debt / EBITDA adj.	11.5 x	9.9 x
Ratio of interest expenses to debt	0.9 %	0.9 %

Regarding the business development and outlook of the issuer, we refer to the report on the unsolicited corporate issuer rating of EPIC SNCF Mobilités as of 1 February 2017 and updated on 31 August 2018 (currently AA- / negative) and the information published by the Group since then. The company faces specific structural risks, business risks and financial risks that are described in detail in the rating report. The report can be found on the website of CRA. As mentioned above, the rating is monitored on an ongoing basis.

Rating object

The rating objects of this issue rating are exclusively the in euro denominated long-term senior unsecured issues issued by EPIC SNCF Mobilités and which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB.

The Notes have been within the framework of the EMTN Programme, of which the latest base prospectus dated 21 March 2018. The current EMTN Programme amounts to maximum EUR 12 bn. The Notes issued under the EMTN Programme benefit from a negative pledge provision.

Rating result

We assign a rating of AA- to the long-term local currency senior unsecured debt securities issued by EPIC SNCF Mobilités. The decision is derived from the corporate issuer rating and its outlook.

The following tables give overviews of the ratings attributed by CRA as well as of the current EMTN Programme.

Table 2: Summary of CRA ratings | Source: CRA

Rating objects	Detail information	
	Date	Rating
EPIC SNCF	31.08.2018	AA- / negative
EPIC SNCF Réseau	31.08.2018	AA / stable
EPIC SNCF Mobilités	31.08.2018	AA- / negative
Long-term LC senior unsecured issues of EPIC SNCF Réseau	08.10.2018	AA
Long-term LC senior unsecured issues of EPIC SNCF Mobilités	08.10.2018	AA-
Sovereign Rating French Republic	28.05.2018	AA / stable
Other	--	n.r.

Table 3: Overview of 2018 EMTN Programme | Source: EPIC SNCF Mobilités prospectus dated 21 March 2018

Overview 2018 EMTN Programme			
Programme Volume	EUR 12,000,000,000	Maturity	Depending on the respective Notes
Issuer	EPIC SNCF Mobilités	Coupon	Depending on the respective Notes
Arranger	HSBC	Currency	Depending on the respective Notes
Credit Enhancement	--	ISIN	Depending on the respective Notes

At the time of the rating, the following EUR-Notes are rated by Creditreform Rating AG:

Table 4: Unsolicited ratings of EPIC SNCF Mobilités' long-term LC senior unsecured issues | Source: SNCF

ISIN	EUR	Issue date	Maturity	Unsolicited rating
FR0010199927	500,000,000	03.06.2005	03.06.2020	AA-
XS0368361217	1,050,000,000	12.06.2008	12.06.2023	AA-
XS0410937659	1,550,000,000	02.02.2009	02.02.2024	AA-
XS0193639530	50,000,000	23.06.2005	23.06.2024	AA-
XS0488101527	1,000,000,000	19.02.2010	19.02.2025	AA-
XS0617307375	500,000,000	15.04.2011	15.04.2026	AA-
XS1558472129	1,300,000,000	02.02.2017	02.02.2029	AA-
XS1350417421	250,000,000	25.01.2016	25.01.2031	AA-
XS1434650393	150,000,000	17.06.2016	25.05.2031	AA-
XS1437661363	150,000,000	27.06.2016	27.06.2031	AA-
XS1549401625	60,000,000	20.01.2017	20.01.2032	AA-
XS0744580506	100,000,000	10.02.2012	10.02.2032	AA-
XS0744575092	100,000,000	10.02.2012	10.02.2032	AA-
XS0785390468	50,000,000	01.06.2012	01.06.2032	AA-
XS0729261023	450,000,000	18.01.2012	18.01.2042	AA-

XS0794134295	150,000,000	22.06.2012	22.06.2042	AA-
XS1015884080	63,000,000	21.01.2014	21.01.2054	AA-
XS1067554185	110,000,000	02.06.2014	02.06.2064	AA-

All future LT LC senior unsecured Notes that will be issued by EPIC SNCF Mobilités under the current EMTN Programme, denominated in euro and included in the list of ECB-eligible marketable assets, will, until further notice, receive the same ratings than the current LT LC senior unsecured Notes issued under the EMTN Programme. Notes issued under the Programme in another currency than euro or other types of debt instruments have not been rated by CRA so far. The current ratings and information can be seen on the website of Creditreform Rating AG.

Best-case scenario

Best-case scenario: AA-
Worst-case scenario: A+

In our best-case scenario for one year, we assume a rating of AA-. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating update on the unsolicited corporate issuer rating of EPIC SNCF Mobilités as of 31 August 2018 (AA- / negative).

Worst-case scenario

Note:

The scenarios are based on the information available at the time of the rating. Within the forecast horizon, some circumstances could occur that would lead to a rating change out of the indicated range.

In our worst-case scenario for one year, we assume a rating of A+. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating update on the unsolicited corporate issuer rating of EPIC SNCF Mobilités as of 31 August 2018 (AA- / negative).

Appendix

Rating history

Corporate issuer EPIC SNCF Mobilités | Source: CRA

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	01.02.2017	10.02.2017	Withdrawal of the rating	AA- / stable
Monitoring	24.04.2017	25.04.2017	Withdrawal of the rating	AA- / stable
Monitoring	31.08.2018	10.09.2018	Withdrawal of the rating	AA- / negative

LT LC senior unsecured issues issued by EPIC SNCF Mobilités | Source: CRA

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	08.10.2018	15.10.2018	Withdrawal of the rating	AA-

Regulatory and legal disclosures

The present rating is an unsolicited rating. Creditreform Rating AG was not commissioned by the issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The quantitative analysis is primarily based on the last annual report of the issuer, the base prospectuses and on press releases of the company. The information and documents meet the requirements and are in accordance with the published Creditreform Rating AG's rating methodology.

The rating was conducted on the basis of Creditreform Rating's "Corporate Issue Ratings" methodology. A complete description of Creditreform Rating's rating methodologies is published on the following internet page: www.creditreform-rating.de.

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodology. A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

www.creditreform-rating.de/en/regulatory-requirements/

This rating was carried out by analysts Marie Watelet (m.watelet@creditreform-rating.de) and Rudger van Mook (r.vanmook@creditreform-rating.de), both located in Neuss, Germany. A management meeting did not take place.

The rating was presented to the rating committee on 8 October 2018. The company examined the rating report prior to publication and was given at least one full working day to appeal the rating committee's decision and to provide additional information. The rating decision was not amended following this examination.

The rating will be monitored until CRA removes the rating and sets it to non-rated (n.r.).

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Please note:

This report exists in an English version only. This is the only binding version.

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No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

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The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our 'Rating Committee' policy, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating
2. Documents on issues / instruments

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore, CRA considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The 'Basic Data' information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the 'Basic Data' card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within 'Basic Data' information card.

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An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

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