



Grandi Stazioni Retail

A unique investment opportunity in the Italian travel retail sector

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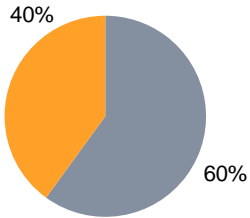
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Grandi Stazioni today

Shareholders

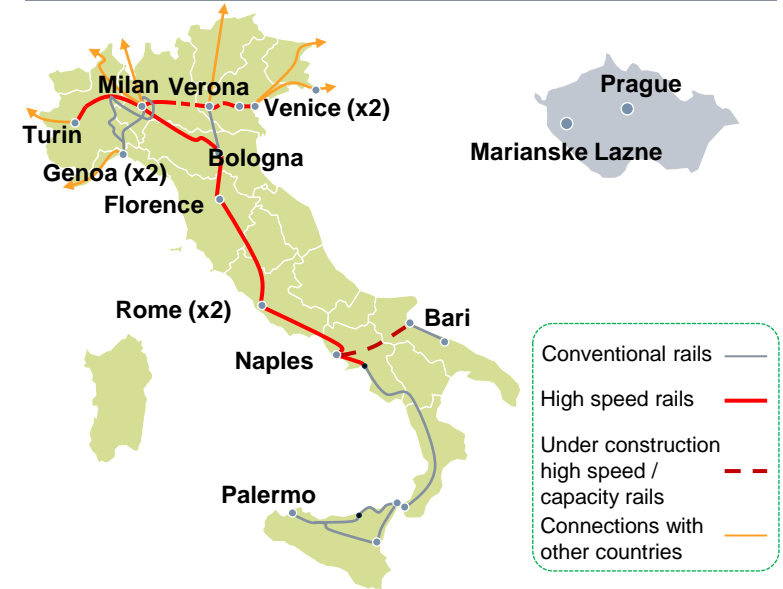


- Ferrovie dello Stato Italiane S.p.A.
- EuroStazioni S.p.A.¹

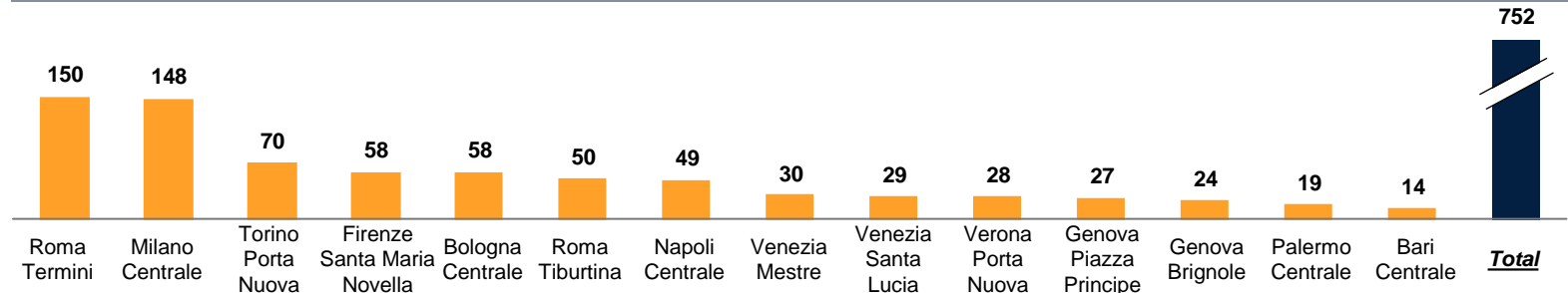
Key facts and figures

14	major Italian railway stations
2	stations in Czech Republic
1	commercial gallery ³
~ 750 million	railway stations visitors ² per year in Grandi Stazioni stations in Italy
~ 1.5 million sqm	of real estate areas of which ~96,000 sqm currently dedicated to retail activities
€210 million	consolidated revenues of which ~€110m generated from retail activities

Railway station network



2014 number of visitors (million)²



Notes

- 1 Participated by Vianini Lavori (32.7%), Edizione (32.7%), Pirelli Group (32.7%) and SNCF (1.87%)
- 2 The data are calculated as "passages of visitors in station". For the "passengers" category the passage is meant to be the single transit in a single station, thus considering only the departure point and final destination of the travel
- 3 Metronapoli commercial gallery, which connects the underground station to the railway station of Napoli Centrale

Grandi Stazioni is engaged in the renovation enhancement and management of Italy's 14 largest railway stations located in the most appealing leisure and business destinations in Italy

Transaction background

The spin-off of Grandi Stazioni: transaction overview

The disposal of GS Retail will allow

- (i) Grandi Stazioni shareholders to crystallize the value of the retail asset
- (ii) FS to focus on the core activities in order to complete the remaining infrastructure investments in the agreed timing, thus unlocking full revenue potential from the railways' commercial areas

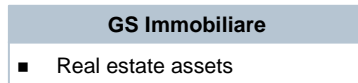
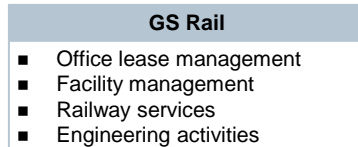
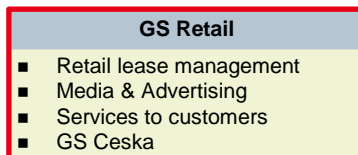
Description

- The shareholders of Grandi Stazioni have decided to implement a corporate reorganisation program aimed at separating retail activities from the real estate activities, infrastructure business and core services related to the railway transportation
- Following a non proportional demerger, retail lease management activities, media & advertising activities, the management of some services to customers, the supervision of facility management activities and the management of two Czech stations (through the vehicle Grandi Stazioni Česká republika - "GS Ceska"), will be transferred into a NewCo, Grandi Stazioni Retail S.p.A. ("GS Retail" or the "Company"), participated by Ferrovie dello Stato Italiane S.p.A. ("FS") and Eurostazioni with a stake of 55% and 45% respectively
- Concurrently, Grandi Stazioni will remain engaged in the facility management activities, the office lease management, car parks and Italian railway operators' ticket offices management and the engineering services and will be retitled as Grandi Stazioni Rail S.p.A. ("GS Rail"), while the real estate assets¹ will be contributed into a NewCo, Grandi Stazioni Immobiliare S.p.A. ("GS Immobiliare")
- FS and Eurostazioni S.p.A. ("Eurostazioni") are willing to sell 100% of the shares of GS Retail through a competitive auction process

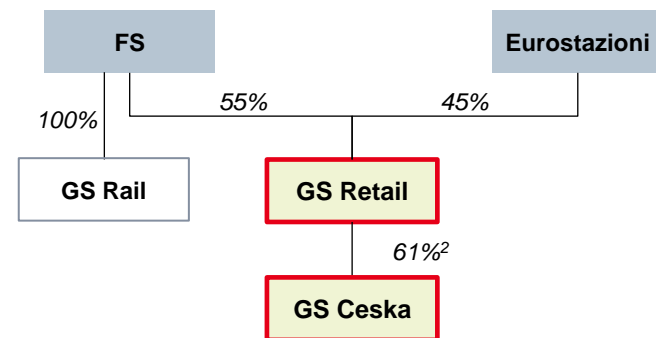
Pre and post demerger structure



- Retail and office lease management
- Media & Advertising
- Facility management
- Railway services
- Services to customers
- Engineering activities
- Real estate
- GS Ceska



Post demerger ownership of GS Retail



Notes

¹ Except for a real estate property in Venice, which will be allocated to GS Retail

² The other shareholder is EBRD - European Bank for Reconstruction and Development (39%)

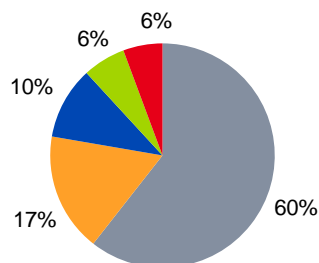
Source Grandi Stazioni

GS Retail at a glance

Business overview

GS Retail revenues

Revenues 2014: €111m³



- Retail lease management
- Media & Advertising
- Facility Management
- Services to customers
- GS Ceska

Business description

- GS Retail will operate under long-term concessions with FS Group up to 2040¹ for the exclusive commercial exploitation of retail areas and advertising spaces of the major 14 Italian railway stations
- The Company will be engaged in the following activities within the railway stations:
 - **Retail lease management:** rental of c.96,000 sqm² retail spaces / c.465 stores
 - **Media & Advertising:** management of the stations' advertising spaces
 - **Services to customers:** management of the baggage deposits and toilet services
 - **Facility management:** supervision on the activities performed by GS Rail on retail areas and common and transit areas
- GS Retail will have in place a property & facility management agreement with GS Rail regulating the ordinary and extraordinary maintenance over all the railway station areas as well as cleaning and security services
- GS Retail will pay a concession fee to FS Group for the commercial exploitation of the retail and advertising spaces of the 14 Italian railway stations
- The Company also will own a majority stake in GS Ceska, the company holding the concession rights for the refurbishment, management and commercial exploitation of the two Czech railway stations of Prague Central and Marianske Lazne

Key facts and figures

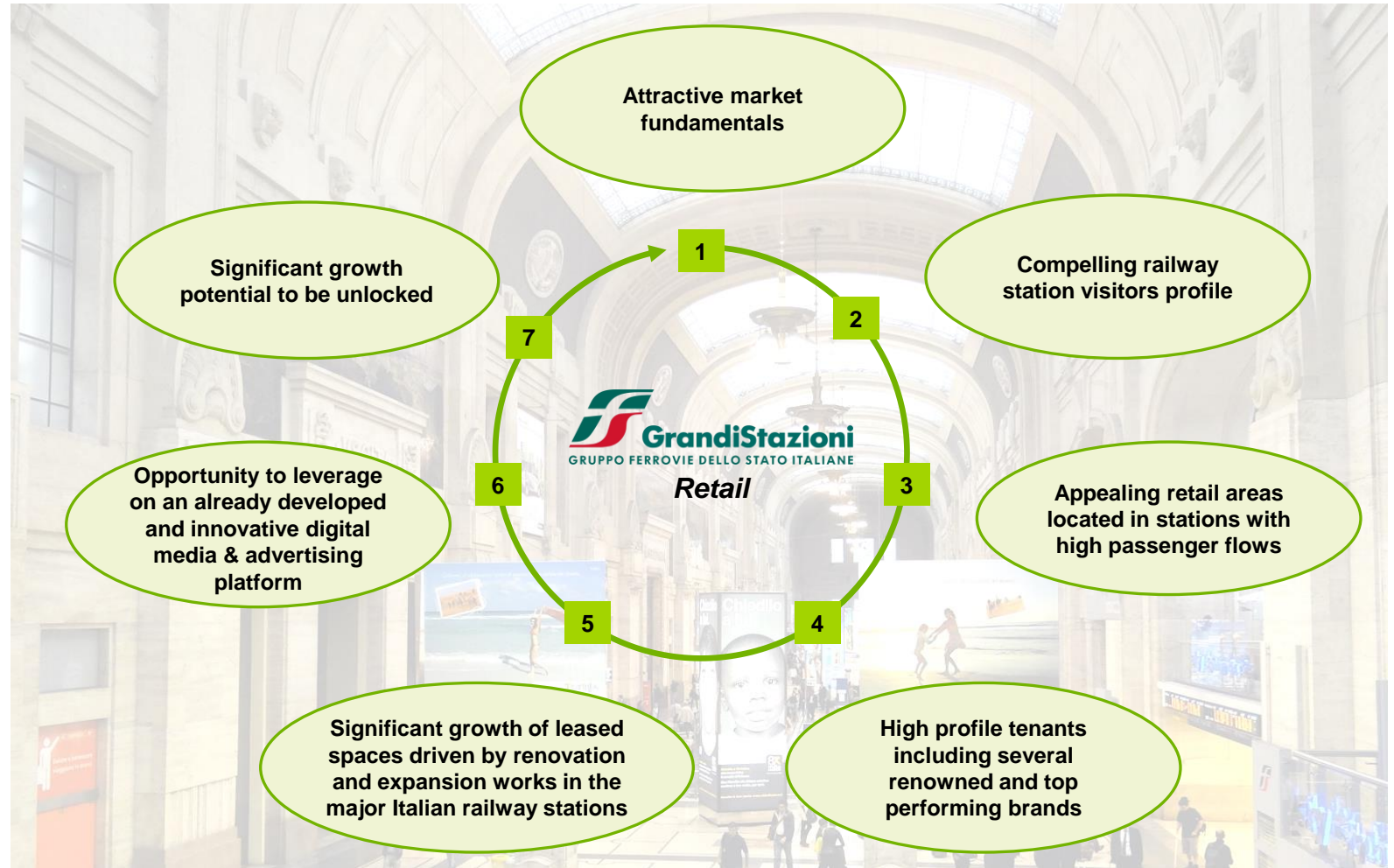
# of railway stations	14 in Italy 2 in Czech Republic 1 commercial gallery
Leased retail areas in Italy	~ 96,000 sqm ²
# of stores	~465
Pro-forma revenues 2014	€111m ³
Pro-forma EBITDA 2014	€49m (c.44% margin) ³
# of employees as of July 1 st 2015	83

Notes

- 1 With the exception of Roma Tiburtina and Napoli Metronapoli expiring respectively in 2044 and 2050
- 2 Does not include logistic and other areas (e.g. canteen)
- 3 Consolidated figures including GS Ceska

Source Grandi Stazioni

Key investment highlights



A unique investment opportunity to enter the compelling Italian travel retail sector

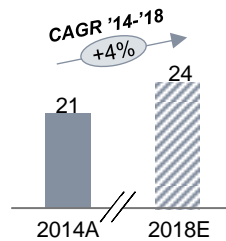
Key investment highlights

1

Attractive market fundamentals

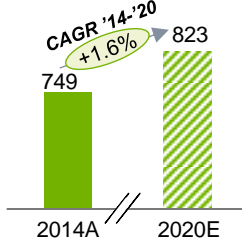
Compelling underlying market fundamentals providing room for GS Retail growth over the next years

Travel retail market in Italy (2014A-2018E) - €bn



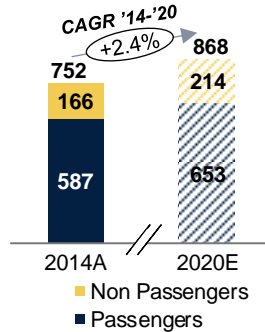
Source: Euromonitor

GS Retail reference commercial lease market (€/sqm)²



Source: Scenari Immobiliari

of visitors Grandi Stazioni (mln)¹



Sources: Grandi Stazioni, Eurisko, ISTAT

- Travel retail market is expected to grow driven by the expected recovery of domestic consumption and the additional growth of tourists flows
- Unitary yields in the Italian commercial lease market are expected to increase driven by the expected increase in demand of commercial areas
- Visitors, currently at over 750 million per year, are expected to reach more than 850 million by 2020 thanks to the increase of both passenger and non-passengers flows

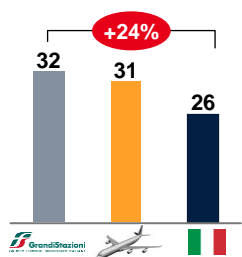
2

Compelling railway station visitors profile

Young, curious, hi-tech and high spending consumers within GS Retail railway stations, providing the opportunity to attract the best tenants

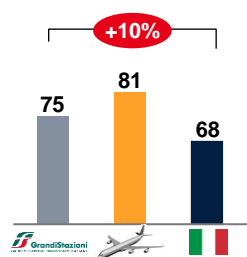
Grandi Stazioni visitors vis-a-vis airplane users

People under 35 years old (%)



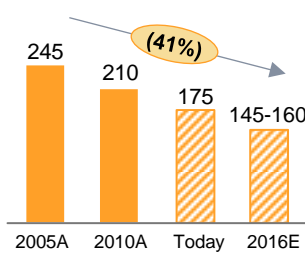
Source: Eurisko

High spending capacity (%)



Source: Eurisko

Travel time by train on Milan-Rome route (min)



Source: Grandi Stazioni

- With respect to the Italian average, Grandi Stazioni visitors are younger, with high spending capacity, willing to try new products, well educated and hi-tech oriented
- In addition, the ongoing transition from airplane to high-speed trains driven by the significant travel time reduction is progressively bringing new young, hi-tech and high spending consumers to GS Retail stations

Notes

- The data are calculated as "passages of visitors in station". For the "passengers" category the passage is meant to be the single transit in a single station, thus considering only the departure point and final destination of the travel
- Main cities where GS Retail will be present: Rome, Milan, Florence, Venice, Turin

Key investment highlights

3

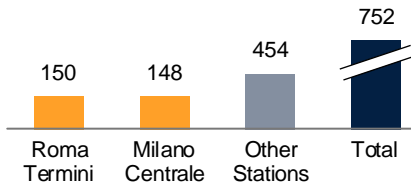
Appealing retail areas located in stations with high passenger flows

Historical buildings in the heart of the major Italian cities all connected through the national railway network

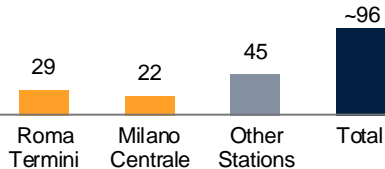


Sources: Grandi Stazioni, Eurisko

2014 number of visitors (m)



Leased retail areas ('000 sqm)¹



- GS Retail commercial areas are located in refurbished beautiful historic buildings in the heart of the most appealing travel destinations and business centers in Italy
- Leased areas are mainly concentrated in Roma Termini, Milano Centrale, the largest stations in terms of size and passenger flows

4

High profile tenants including several renowned and top performing brands

Tenants performance within GS Retail stations in line with high streets is instrumental in attracting high quality and top standing tenants

GS Retail best performer tenants ('000€/sqm)²



Source: Grandi Stazioni

GS Retail tenants overview



- Leveraging on the compelling railway station visitors profile, GS Retail tenants have been able to achieve outstanding store performances, in line with high street shops
- GS Retail commercial areas attract several renowned top performing national and international brands across different sectors

Notes

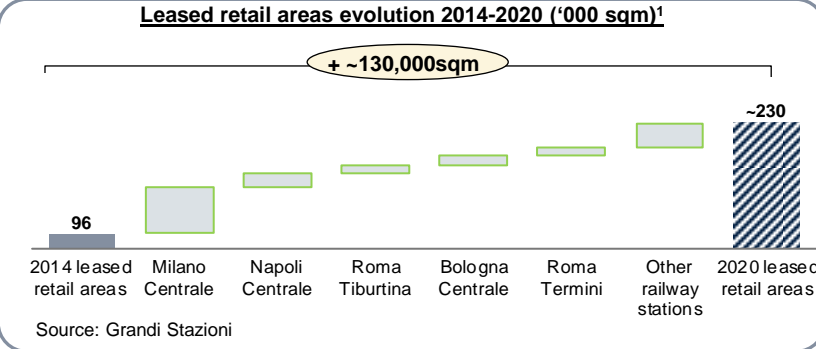
- 1 Does not include logistic and other areas (e.g. canteen)
- 2 Calculated as the ratio between the turnover of the best performer tenant within its product category and the corresponding leased area

Key investment highlights

5

Significant growth of leased spaces driven by renovation and expansion works in the major Italian railway stations

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~130,000sqm new retail spaces are expected to be realized over the next 5 years

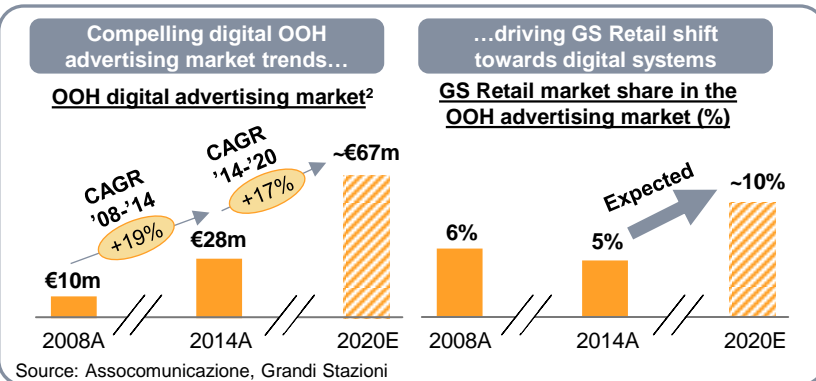


- Significant growth of leased spaces by 2020 driven by already identified renovation and expansion works
- The greater increase in leased retail areas over the next years is concentrated in the major GS Retail stations in terms of size and passenger flows
- By 2020 GS Retail will become the largest multi-location department store in Italy, reaching ~1,500 shops (vs. ~465 today)

6

Opportunity to leverage on an already developed and innovative digital media & advertising platform

-
GS Retail will be ideally positioned to capitalize on the favourable digital advertising market trends

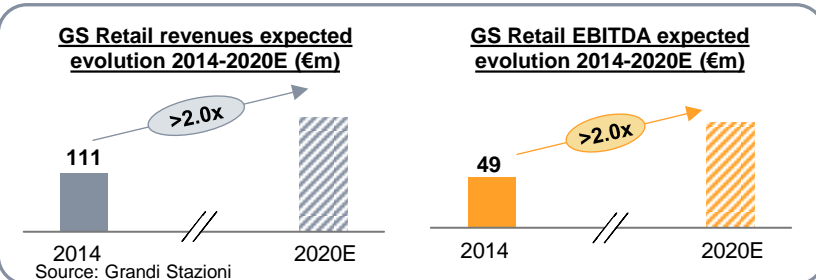


- Digital OOH advertising market is expected to continue its double digit growth path over the next years driven by a trend of reconversion of traditional systems to digital systems
- To exploit this ongoing market trend, GS is implementing significant investments aimed at the digitalization of the entire media & advertising areas
- Leveraging on the reconversion towards digital systems, GS Retail digital media & advertising platform will be ideally positioned to capture the growth potential underlying the digital OOH advertising market

7

Significant growth potential to be unlocked

-
2020E revenues and EBITDA more than double than today



- Significant growth prospects over the next years mainly driven by (i) the expansion of commercial areas, (ii) the optimization of yield rates on existing spaces, and (iii) the full exploitation of the media & advertising platform
- Over the Industrial Plan period, GS Retail expects to post double-digit growth, more than doubling its revenues and EBITDA up to 2020

Notes

1 Does not include logistic and other areas (e.g. canteen)
 2 OOH": "out of home". "Traditional" market is represented by printed advertising installations, whilst "digital" market encompasses all the electronic devices used for advertising purposes