

(Translation from the Italian original which remains the definitive version)

FS ITALIANE GROUP AND FERROVIE DELLO STATO ITALIANE S.P.A.

2015 ANNUAL REPORT HIGHLIGHTS

CONTENTS

FS ITALIANE GROUP AND FERROVIE DELLO STATO ITALIANE S.p.A.

2015 ANNUAL REPORT HIGHLIGHTS

Consolidated highlights	3
The group's performance	4
Investments	10
Transport	12
Infrastructure	17
Real Estate Services	19
Other Services	23
Ferrovie dello Stato Italiane S.p.A.'s performance	27
Consolidated financial statements	30
Financial statements of Ferrovie dello Stato Italiane S.p.A.	36

Consolidated highlights

millions of Euros

Main results and financial data	2015	2014	Change	%
Revenue	8,585	8,390	195	2.3
Operating costs	(6,610)	(6,276)	(334)	(5.3)
Gross operating profit	1,975	2,114	(139)	(6.6)
Operating profit	644	659	(15)	(2.3)
Profit for the year	464	303	161	53.1
	31.12.2015	31.12.2014	Change	%
Net invested capital (NIC)	44,695	43,715	980	2.2
Equity (E)	37,953	37,497	456	1.2
Net financial debt (NFD)	6,742	6,218	524	8.4
NFD/E	0.18	0.17	0.01	7.1
Investments of the year	5,497	4,261	1,236	29.0
Total cash flows used	(3)	(361)	358	99.2

Main performance indicators	2015	2014
GROSS OPERATING PROFIT/REVENUE	23.01%	25.20%
ROS (OPERATING PROFIT/REVENUE)	7.50%	7.85%
PERSONNEL EXPENSE/REVENUE	(45.82)%	(46.69)%

The group's performance

Main operating data	2015	2014	Change	%
Length of the railway network (km)	16,724	16,723	1	
Total length of tracks (km)	24,286	24,278	8	
Long-haul passengers train-km (thousands)	80,795	78,782	2,013	2.6
Regional passengers train-km (thousands)	202,103	189,574	12,529	6.6
Rail passenger-km (millions)	43,570	42,471	1,099	2.6
Road passenger-km (millions)	2,200	2,117	83	3.9
Tonne-km (millions) ⁽¹⁾	23,370	23,188	182	0.8
Employees ⁽²⁾	69,002	69,115	(113)	(0.2)

(1) Includes traffic abroad

(2) Year-end total

The Ferrovie dello Stato Italiane group's **consolidated income statement** is presented and discussed below.

	millions of Euros			
	2015	2014	Change	%
REVENUE	8,585	8,390	195	2.3
Revenue from sales and services	7,881	7,734	147	1.9
Other income	704	656	48	7.3
OPERATING COSTS	(6,610)	(6,276)	(334)	(5.3)
GROSS OPERATING PROFIT	1,975	2,114	(139)	(6.6)
Amortisation, depreciation, provisions and impairment losses	(1,332)	(1,455)	123	8.5
OPERATING PROFIT	644	659	(15)	(2.3)
Net financial expense	(107)	(111)	4	3.6
PRE-TAX PROFIT	537	548	(11)	(2.0)
Income taxes	(73)	(245)	172	70.2
PROFIT FROM CONTINUING OPERATIONS	464	303	161	53.1
Profit (loss) from assets held for sale, net of taxes				
PROFIT FOR THE YEAR	464	303	161	53.1
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT	448	292	156	53.4
PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	16	11	5	45.5

2015 was affected by the significant changes in legislation that characterised the second half of 2014. However, the **Profit for the year** came to €464 million, up by €161 million (+53.1%) on the previous year, bringing the group back to the profits earned in 2013, when no changes affected the performance for the year.

The negative impacts of the above changes in legislation on the group's performance of operations led to a decrease in both **Gross Operating Profit** and **Operating Profit** which are down by €139 million (-6.6%) and €15 million (-2.3%),

respectively.

Specifically, the total negative impact of these external events, namely the above changes in legislation, on gross operating profit amounts to approximately €173 million and may be summarised as follows:

- the increase in the cost of energy following Law decree no. 91/2014 which entailed a significant reduction in the tariff subsidies previously granted to railway companies (+€72 million);
- the decrease in toll revenue from the most profitable lines, i.e., the HS (high speed) and HC (high capacity) lines, in accordance with the provisions of Ministerial decree no. 330/2013 and resolution no. 70/2014 of the Italian Transport Regulator ("ART") (-€29 million);
- the elimination of revenue from the Cargo Service Contract, partly offset by the decrease in the costs to use infrastructure and ferry costs to Southern Italy, following the Stability Act dated 23 December 2014, reducing net margins by €72 million.

However, these effects were partly mitigated by the positive operating performance, including, in particular:

- the increase in operating profit due to the operations (approximately +€138 million). The positive performance of the group businesses includes the strong contribution of the German group Netinera, with an impact of approximately €40 million on operating profit, the recognition of fines to suppliers approximating €39 million and the €18 million gain on the sale of the electricity transmission grid to Terna S.p.A.;
- greater net profits due to the change in the consolidation scope (approximately €7 million);
- this performance was despite the smaller positive effects of the release of provisions compared to 2014 (€111 million). Indeed, 2014 benefited from the €111 million release of RFI S.p.A.'s provisions with a direct impact on gross operating profit.

Revenue increased by €195 million as a result of the rise in **Revenue from sales and services** (+€147 million) and the increase in **Other income** (+€48 million).

The increase (+1.9%) in **Revenue from sales and services** is due to the **Revenue from transport services** which grew 2.5% or €154 million, and the rise in **Revenue from infrastructure services** (+€11 million). Conversely, the other residual items comprising revenue from sales and services are down by €18 million.

With respect to the main factors behind the increase in **Revenue from transport services**, which comprise both **Market revenue** (passengers and cargo +€122 million) and **Revenue from the public service contract** (with the regions and the government +€32 million), a positive contribution (€153 million in terms of gross revenue from transport services) came from the Netinera group, in addition to the positive effects of the increase in long haul revenue and revenue from goods and logistics services (€77 million) along with the impact of the change in the consolidation scope on revenue (approximately €37 million). The negative impact of the Stability Act dated 23 December 2014 should also be considered as it caused a €105 million decrease in revenue from the cargo service contract. For additional information on the performance of revenue from transport services, reference should be made to the notes to Transport operating segment.

The increase in **Revenue from infrastructure services**, up by €11 million on 2014, also includes the €29 million decreases in revenue due to the above-mentioned resolution no. 70/2014 of the ART, offset by the rise in the traffic volumes of third party railway companies, which had an impact of €20 million on toll revenue, the increase in revenue from the sale of electrical energy for traction due to Law decree no. 91/2014 (+€8 million) and other minor positive operating effects of €12 million.

Other revenue included in **Revenue from sales and services** amounts to €242 million and is down by a total of €18 million mainly attributable to trends in operations, including the decrease in revenue from leases (-€17 million).

Other income of €704 million is up by €48 million on 2014 (+7.3%) mainly as a consequence of the fines applied to rolling stock suppliers (€39 million) and the gain on the sale of the electricity transmission grid to Terna S.p.A. (€18 million), partly offset by smaller net items, down by approximately €9 million.

Operating costs amount to €6,610 million, up by €334 million (5.3%) on 2014 (€6,276 million). They may be analysed as follows:

- the rise in personnel expense (€16 million) mainly due to the personnel hired by the Netinera group following the acquisition of new routes (+€20 million), offset by the overall reduction in the personnel expense of other FS group companies as a consequence of the average decrease in personnel and the human resources streamlining process;
- the €46 million decrease caused by the above changes in legislation introduced in 2014. Specifically, the reduction is due to greater electrical traction energy costs (€80 million of which €72 million attributable to Law decree no. 91/2014), and smaller costs to use the infrastructure and ferry to Southern Italy (€34 million);
- the increase in operating costs directly related to the rise in revenue described earlier, up by approximately €154 million (+€93 million related to the Netinera group and +€61 million attributable to other FS group companies), in addition to the effects of the change in the consolidation scope of about €7 million;
- the reduced positive effects of the release of provisions for maintenance compared to 2014 (€111 million) related to RFI S.p.A., as mentioned earlier.

Operating profit amounts to €644 million. The €15 million decrease (-2.3%) on the previous year is due to that described above in respect of revenue and operating costs as well as greater amortisation/depreciation and provisions (+€75 million and €42 million, respectively), offset by smaller impairment losses (€241 million). The latter change is due to the effect of the impairment test conducted on Trenitalia S.p.A.'s Cargo Division and the impairment losses recognised on some real estate complexes, which had negatively impacted the prior year performance by €185 million and €56 million, respectively.

Net financial expense of €107 million is substantially in line with 2014 (+€4 million). The increase in the net balance is actually due to significant non-recurring income, including the recognition of financial income in 2015 (€75 million) related to the equity investment in Eurofima SA, which offset the approximately €63 million interest income on receivables, which was recognised in 2014 following the fair value change also due to the review of the discounting period of the receivable due from the Prime Minister's Office.

Income taxes amount to €73 million. The €172 million (70.2%) decrease is mainly attributable to the combined effect of the new tax provisions of the 2015 and 2016 Stability Act, concerning the deductibility of personnel expense from the IRAP (regional tax on productive activities) base and the proposed reduction in the IRES (corporate income tax) rate (from 27.5% to 24% starting in 2017) with a net positive impact on deferred taxation for the year. Specifically, the total impact of the changes in the IRAP legislation set out in the 2015 Stability Act generated an improvement in the tax burden for a total of €224 million, being the sum of smaller current taxes (-€78 million) and, compared to 2014, smaller impairment losses on deferred tax assets (-€146 million).

Reclassified statement of financial position

millions of Euros

	31.12.2015	31.12.2014	Change
ASSETS			
Net operating working capital	929	837	92
Other assets, net	(581)	(902)	321
Working capital	348	(65)	413
Net non-current assets	47,357	46,785	572
Other provisions	(3,010)	(3,008)	(2)
Net assets held for sale		3	(3)
NET INVESTED CAPITAL	44,695	43,715	980
COVERAGE			
Net current financial (position) debt	884	(181)	1,065
Net non-current financial debt	5,858	6,399	(541)
Net financial debt	6,742	6,218	524
Equity	37,953	37,497	456
COVERAGE	44,695	43,715	980

Net invested capital of €44,695 million rose by €980 million mainly as a consequence of the increase in **Working capital** (+€413 million) and in **Net non-current assets** (+€572 million).

Net operating working capital amounts to €929 million, up by €92 million as a result of:

- greater receivables arising from the public service contract with the Ministry of the Economy and Finance (also "MEF") (+€101 million) due to longer collection times for considerations during the year;
- greater receivables arising from the public service contract with the Regions (+€261 million) due to longer collection times for considerations. Given this trend and the increase in overdue amounts, the company has agreed collection plans with some of these regions and constantly monitors compliance;
- lower trade payables (-€100 million) due to the improved settlement period, in addition to the transfer of the Basicel contract and the related receivable as part of the sale of S.EL.F. S.r.l. in December 2015;
- greater inventories (+€16 million) mainly due to the increase in raw materials, consumables and supplies following the increase in production by the Officine Nazionali Armamento e Apparecchiature Elettriche (national armaments and electrical device workshops) in Pontassieve and Bologna, offset by the decrease in rolling stock parts. The latter decrease is the result of the implementation of improvement solutions and the introduction of new materials management procedures. The change in this caption was also due to the increase in receivables arising from construction contracts and the decrease in trading land and buildings included in the group's real estate properties to be sold;
- greater trade payables (-€196 million) due to the infrastructural investments of the year and the purchase of new rolling stock. The increase in payables for investments was relatively modest compared to the volumes generated thanks to the reduction in the average DPO with suppliers;
- greater other trade receivables (+€10 million).

Other assets, net decreased by €321 million, mainly as a result of the combination of the following factors:

- lower receivables from the Ministry of the Economy and Finance, the Ministry of Infrastructures and Transport (“MIT”) and other bodies (-€1,560 million), particularly for grants related to assets to be used for infrastructural investments to complete HS/HC lines, works to improve the railway network and the design of the Turin-Lyon tunnel;
- the net decrease in other payables (+€209 million) due to the cancellation of the recognised obligation relating to the investee Eurofima SA’s callable shares, following the analyses of Swiss company law, and the sale of the contract with Basicel involving the transfer of the rights to use the power lines for the passage of electric cables which took place as part of the sale to S.EL.F S.r.l.;
- the increase in the net VAT balance (+€628 million), mainly due to the effect of the new VAT management mechanism called split payment, introduced by the 2015 Stability Act, applicable to transactions with government authorities and administrations;
- the decrease in advances on grants related to assets received by RFI S.p.A. (+991 million);
- the increase in deferred tax assets (+€53 million).

Net non-current assets increased by €572 million mainly as a result of greater investments for the year (€5,497 million), partly offset by the grants related to assets recognised on an accruals basis (€3,044 million), amortisation and depreciation of the year (€1,228 million), impairment losses (€37 million) and sales and reclassifications (-€149 million). The increase was also negatively impacted by non-recurring transactions totalling €372 million related to the sale of FS group’s electrical assets to Terna S.p.A. (-€386 million), only marginally offset by the acquisition of the business unit of APS Holding S.p.A. (approximately +€13 million).

Other provisions increased by €2 million as a consequence of opposite effects of the increase in the provisions for risks and the rise in deferred tax liabilities (+€74 million and +€94 million, respectively), offset by the decrease in post-employment benefits (-€166 million), mainly for utilisations and advances of the year. Specifically, the provisions for risks include an increase in the Bilateral fund for income assistance, following the launch of projects to streamline the group’s production structure (+€37 million), an increase in the estimated charges related to the guarantees included in the agreement for the sale of electrical assets through the transfer of S.EL.F. S.r.l. to Terna S.p.A. (+€67 million) and a general decrease in other provisions for risks and charges (-€30 million). The provision for deferred tax liabilities was affected by the new temporary differences generated by the group companies during the year and their adjustment following the introduction, starting from 2017, of the reduction in the IRES rate from 27.5% to 24% in accordance with the 2016 Stability Act (Law no. 208 of 28 December 2015).

The **net financial debt** of €6,742 million worsened by €524 million on 31 December 2014, mainly due to the following:

- the reduction in the cash pooling balance (-€68 million), which comprises the payments made by the Ministry of the Economy and Finance during the year in relation to the Government Programme Contract and the European Commission’s payments for other contributions to meet the group’s operating requirements, essentially relating to RFI S.p.A.;
- the decrease in the financial receivable from the Ministry of the Economy and Finance (-€462 million) following the net reduction due to the collection of the annual portion of the grants related to the 2007 and the 2006 Finance Act;
- the increase in loans and borrowings from other financial backers and other financial liabilities (+€25 million);
- the decrease in bonds (-€239 million) mainly due to the repayment of two loans disbursed by Eurofima SA;
- the increase in bank loans and borrowings (+€208 million) mainly due to the new syndicated loans taken on to purchase new rolling stock for regional transport in the Lazio, Tuscany, Veneto, Piedmont and Liguria regions.

Equity rose from €37,497 million to €37,953 million, up by €456 million mainly as a result of the following:

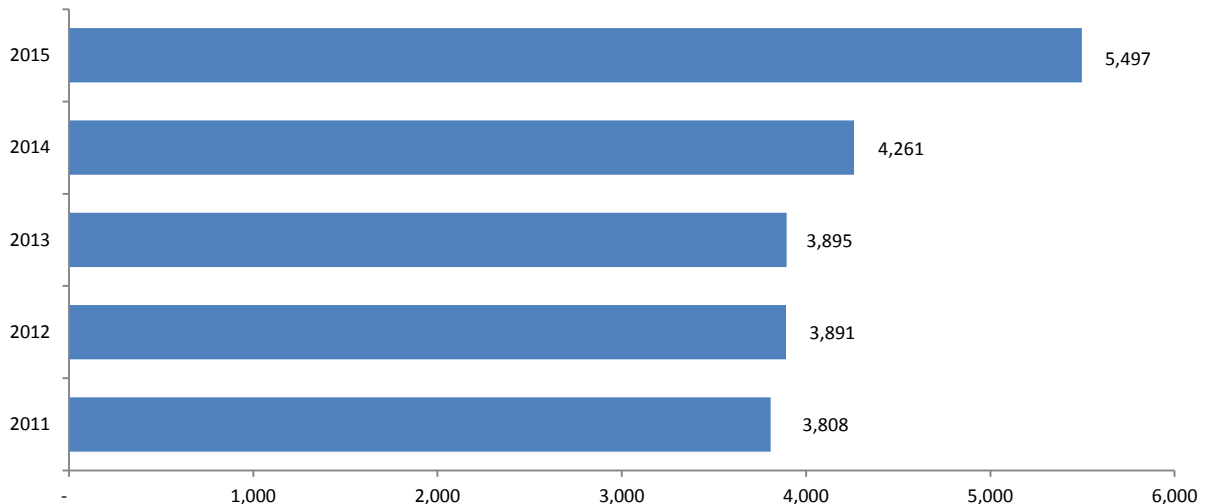
- the increase in the profit for the year (+€464 million);
- the increase in the fair value reserve for derivatives and the reserve for actuarial gains (losses) for a total of €153 million;
- the creation of the reserve comprising the payments made by the parent on 9 January 2015 and 30 September 2015, pursuant to article 20 of Law no. 89 of 23 June 2014 (subsequently amended by article 10.12, of Law decree no. 192/2014, converted into Law no. 11 of 27 February 2015, for the first (€40 million) and the second (€60 million) instalments to the shareholder, the Ministry of Finance and the Economy;
- the decrease in liabilities for derivatives (-€61 million).

Furthermore, in accordance with the shareholders' resolution dated 28 May 2015 and filed on 1 June 2015, Ferrovie dello Stato Italiane S.p.A.'s share capital was aligned with the corresponding equity at the same date, after all existing reserves were used to cover losses. Consequently, share capital decreased by €2,450 million and the legal reserve, the extraordinary reserve and other reserves are fully used.

Investments

The FS Italiane group has managed to continuously implement its investment plan and has maintained, since 2012, an average investment/depreciation ratio of above 1. Furthermore, it has shown, and continued to do so in 2015, an upwards trend in investment expenditure, confirming its position as a major investor in the Italian transport and logistics sectors.

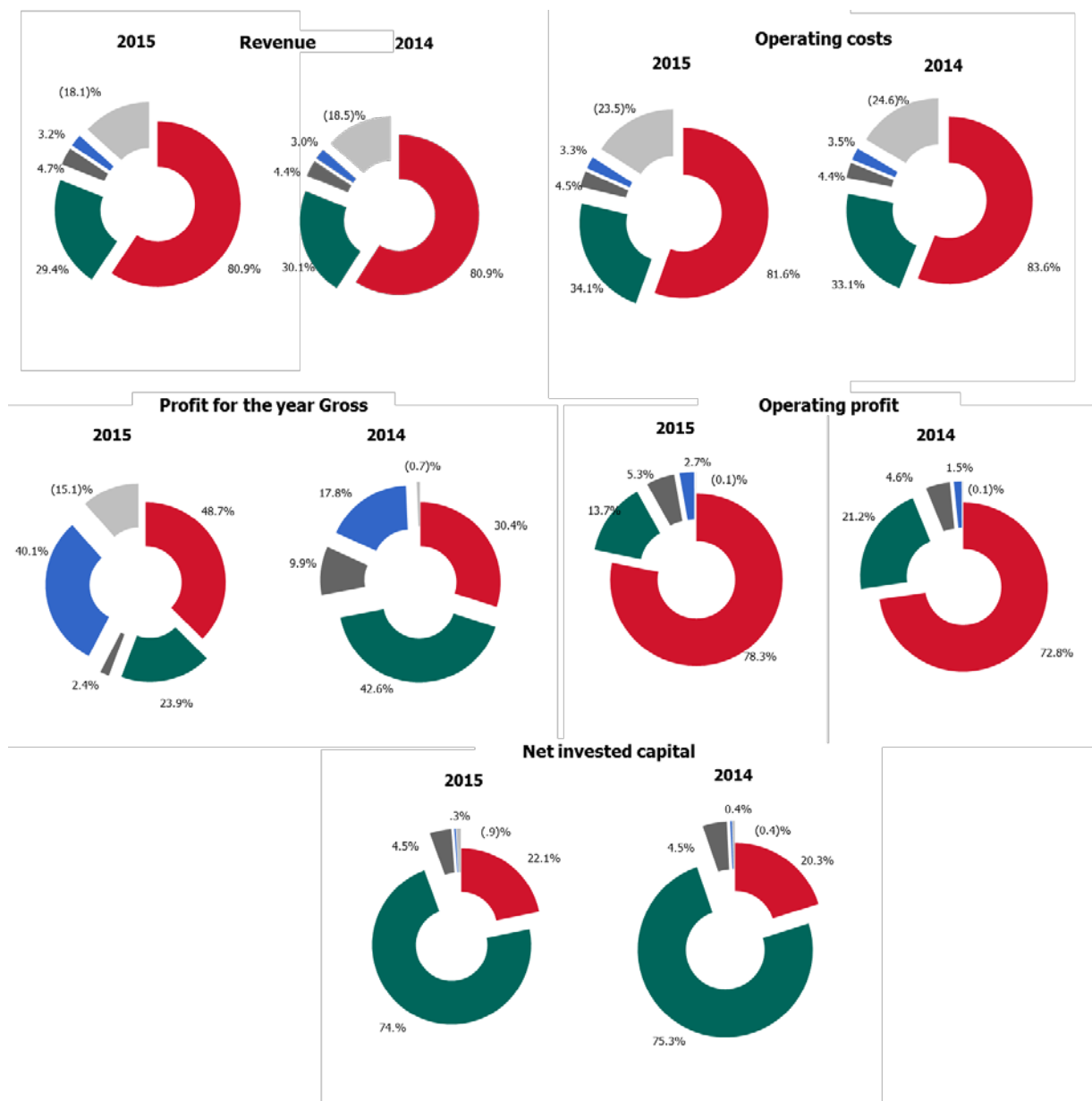
The FS Italiane group's total spending for investments in 2015 came to €5,497 million (€2,453 million of which self-financed and €3,044 million through government grants) and continues its targeted trend of the past few years, showing significant growth (+29.0%) on the previous year.



This being said, the FS Italiane group's investments in property, plant and equipment in 2015 amounted to €5,236 million, up significantly on 2014 (+32%) following new projects on the infrastructure network and projects for the purchase/renewal of road and railway transport vehicles.

Approximately 69% of investments refers to the Infrastructure operating segment, with RFI S.p.A. investing a total of €3,553 million, of which €3,408 million in the traditional network and €145 million in the Turin-Milan-Naples HS/HC network. Roughly 29% of investments refers to the Transport operating segment, specifically road and railway passenger services, both in Italy and abroad, and cargo transport services. Trenitalia S.p.A. invested €1,432 million, Netinera Deutschland approximately €44 million and the Busitalia group companies, which operate in the Italian road transport sector, about €38 million. The Real Estate Services segment accounts for approximately 2% of the group's investments and they mainly related to Grandi Stazioni S.p.A. and Centostazioni S.p.A. to relaunch and improve the main railway stations, which are being redesigned as large service centres for cities.

The group's performance is analysed below with reference to each of the operating segments that make up the FS Italiane group business (Transport, Infrastructure, Real Estate Services and Other Services). The charts below summarise the 2015 and 2014 performance with indication of the percentages of revenue and operating costs, gross operating profit, profit for the year and net invested capital attributable to each segment.



■ Transport
 ■ Infrastructure
 ■ Real Estate Services
 ■ Other Services
 ■ Adjustments and eliminations

Transport

The FS Italiane group companies operating in the transport of passengers and/or cargo/freight by rail, road or sea are part of the **Transport** segment - the group's primary segment. Trenitalia is, by far, the most important company in this segment, in which the Netinera Deutschland group, the TX Logistik group (both operating mainly in Germany), the FS Logistica group, the Busitalia group and other smaller companies also operate.

More specifically, Trenitalia S.p.A. mainly operates by rail, handling services for passenger and cargo transport both domestically and internationally. The German group, Netinera Deutschland, also contributes to the results of this segment, as it carries out transport activities by rail and road on the local and metropolitan transport market in Germany, through approximately 40 investees. The companies that mainly handle rail cargo transport are FS Logistica S.p.A. and its investees (in Italy) and the TX Logistik group (mainly operating in Germany, Austria, Switzerland and Denmark). The Transport segment also includes road passenger transport, which is mainly handled by Busitalia-Sita Nord S.r.l., Ataf Gestioni S.r.l., and, since 2015, Busitalia Veneto S.p.A. as well. Finally, the Transport segment also includes companies like Serfer S.r.l., which provides shunting and railway traction services and railway connection design/construction services, Cemat S.p.A., which handles combined, unaccompanied domestic and international transport, SGT S.p.A., which operates in the intermodal transport sector, and Blufferies S.r.l. which transports people, vehicles and goods by sea.

	millions of Euros			
	2015	2014	Change	%
Revenue from sales and services	6,617	6,480	137	2.1
Other income	324	307	17	5.5
Revenue	6,941	6,787	154	2.3
Operating costs	(5,396)	(5,248)	(148)	(2.8)
Gross operating profit	1,546	1,539	7	0.5
Operating profit	417	251	166	66.1
Segment profit (attributable to the owners of the parent and non-controlling interests)	226	92	134	145.7

	31.12.2015	31.12.2014	Change
Net invested capital	9,898	8,869	1,029

The Transport segment showed a **profit for the year** of €226 million, up by €134 million on 2014 and therefore presenting a significant increase of 145.7% on the previous year. The increase is mainly due to changes in legislation, as already discussed in the section on the economic performance of FS Italiane group as a whole. These changes had an impact on the cost of electrical energy for traction, the charges to use HS infrastructure and the revenue of the cargo division which decreased following the termination of the cargo service contract with the government, starting from 2015. Furthermore, again as a result of the termination of the above contract, the 2014 performance had been significantly affected by the impairment loss recognised on Trenitalia S.p.A.'s cargo division following the impairment test conducted thereon, for a total amount of €185 million. The year benefited from fact that the impairment loss no longer exists as permitted by the provisions of the 2016 Stability Act applicable to the cargo sector, which confirmed forecast cash flows such to support the relevant current invested capital,.

	2015	2014	Change	%
Revenue from sales and services	6,617	6,480	137	2.1
Revenue from transport services	6,406	6,256	150	2.4
Market revenue	4,107	3,989	118	3.0
Revenue from public service contracts	2,299	2,267	32	1.4
Other service revenue	211	224	(13)	(5.8)
Other income	324	307	17	5.5
Revenue	6,941	6,787	154	2.3

Revenue generated in the Transport segment amounts to €6,941 million, up by €154 million on 2014 (+2.3%), substantially due to revenue from sales and services (+€137 million), which includes revenue from transport services.

Revenue from transport services, which includes both **Market revenue (passengers and cargo)** and **Revenue from public service contracts (with the regions and the government)**, rose from €6,256 million to €6,406 million. This €150 million increase (+2.4%) applies inconsistently to the various operating segments of the group companies active in this segment.

The main factors that affected the changes are listed below:

- revenue from long-haul passenger transport services increased by a net €77 million, with the “Freccia” trains clearly accounting for the most revenue, showing growth of over €67 million. This performance is mainly due to the strengthening of the HS offer on the Turin-Milan-Naples-Salerno route and the EXPO Milan 2015 which contributed to the total number of passengers and is even more significant if compared against the highly competitive scenario in which Trenitalia operates. Conversely, revenue from the Euronight and Charter trains is down by €6 million. Internationally, Thello Sas’ revenue rose by €16 million;
- revenue from the long-haul passenger transport services under the “universal service” agreement decreased by approximately €22 million on 2014, with the performance of Night trains down by €3 million (-4.0%). The residual decrease of €19 million is mainly due to the reduction in demand met (passenger-km -9%), partly due to the mix of services offered in 2015;
- revenue from regional transport services increased by €63 million, €48 million of which due to the sound performance of the Netinera Deutschland group companies, mainly thanks to the new contracts signed with the German regions (*lander*), and €15 million due to Trenitalia’s regional passenger division which increased in terms of passenger-km (1.1%) and tariffs (+0.9%). Production increased by 2.0% in terms of train-km, mainly in the Tuscany, Veneto, Campania and Lazio regions and following the restoration of local lines interrupted in 2014;
- revenue from cargo transport services decreased by a total of €14 million (-1.5%), while Trenitalia S.p.A.’s revenue increased by €12 million, with the traditional business performing better than the combined transport business. Conversely, the other group companies operating in logistics (FS Logistica S.p.A., Cemat S.p.A., FS Jit Italia S.r.l., Trenitalia Logistic France Sas, TX and Netinera group companies) recorded a combined decrease in revenue of €26 million;

- revenue from road passenger transport services improved by €14 million, mainly benefiting from the general improvement recorded by the Busitalia group, including as a result of the expansion of road transport services in the Padua and Rovigo municipalities.

Revenue from the public service contract with the regions saw a €251 million increase, while revenue from the public service contract with the government decreased by €219 million. The growth (+€32 million) is mainly due to the Netinera group companies (€111 million) and Busitalia (€23 million). Trenitalia S.p.A. reported a decrease of €101 million mainly due to the non-renewal of the cargo service contract which, as mentioned earlier, generated a €105 million decrease in consideration.

Other service revenue amounts to €211 million, down by €13 million (-5.8%) on 2014, mainly due to the following:

- smaller revenue from services to railway companies, particularly in connection with the maintenance of rolling stock (-€18 million);
- lower revenue from the lease of rolling stock (-€15 million);
- greater revenue from the capitalisation of work and contract work in progress (+€8 million);
- greater revenue from shunting services (+€4 million);
- release of provisions of €4 million.

Other income of €324 million increased by €17 million on 2014 (+5.5%), mainly due to smaller gains (-€15 million), more than offset by the increase in other income and mainly attributable to the greater fines imposed on suppliers by Trenitalia for breach of contract.

	millions of Euros			
	2015	2014	Change	%
Personnel expense	2,290	2,248	42	1.9
Other costs, net	3,106	3,000	106	3.5
Raw materials, consumables, supplies and goods	603	545	58	10.6
Services	2,648	2,604	44	1.7
Use of third-party assets	234	223	11	4.9
Other operating costs	87	88	(1)	(1.1)
Internal work capitalised	(466)	(460)	(6)	1.3
Operating costs	5,396	5,248	148	2.8

Operating costs in the Transport segment amounted to €5,396 million in 2015, up by €148 million on 2014 (+2.8%), due to the growth in both personnel expense and other costs, net.

Personnel expense of €2,290 million rose by €42 million (+1.9%), substantially due to the higher costs incurred by Netinera Deutschland group (+€20 million) and Busitalia group (+€20 million), against a larger business and company scope, partly offset by the decrease recorded by Trenitalia (-€6 million).

Other costs, net of €3,106 million increased by €106 million (+3.5%) The main changes are analysed below:

- raw materials, consumables, supplies and goods saw a €36 million increase in the cost of electrical energy for train traction, mainly related to Trenitalia S.p.A., resulting, above all, from the Electricity and Gas Regulator's resolution no. 641/2013 and the above-mentioned Law decree no. 91 (converted into Law no. 116/2014), which substantially cuts the tariff subsidies previously reserved for railway companies, with a consequent rise in costs. Costs for fuel and lubricants for traction also increased by €15 million;
- with respect to service costs, which are closely related to the increase in revenue from sales and services, the most significant changes relate to maintenance and repair for movable and immovable assets (+€22 million), administrative and IT services (+€12 million) and other services (-€13 million). Toll costs rose by a total of €23 million, mainly due as a consequence of:
 - greater toll costs attributable to Netinera group (€66 million) following the acquisition of new service routes on the German market;
 - lower toll costs attributable to Trenitalia (€44 million), following the decrease in the toll unit cost on HS routes, introduced by ART resolution no. 70/2014.
- internal work capitalised mainly related to materials, personnel expense and transport costs capitalised for maintenance increasing the value of rolling stock. During the year, it increased by approximately €6 million.

The **Gross operating profit** in the Transport segment came to €1,546 million in 2015, up by €7 million (+0.5%) on 2014.

The **Operating profit** amounts to €417 million, up by €166 million (+66.1%) on the previous year. This increase was due to the €66 million rise in amortisation and depreciation, the €249 million reduction in impairment losses and the €24 million increase in provisions.

Specifically, with respect to impairment losses, 2015 benefited from the absence of the significant impairment losses that marked 2014, as that recognised on Trenitalia S.p.A.'s cargo division CGU (following the impairment test) of over €185 million, and that recognised by FS Logistica (€56 million) on some real estate complexes to align the carrying amount with market value. Indeed, as mentioned earlier, the government's decision reached following the approval of Law no. 190/2014 (the 2015 Stability Act), not to renew the Cargo service contract generated a decrease of approximately €105 million per year in the annual consideration for the group's main transport company, necessitating the review of the cargo division's business plan in order to test the recoverability of the capital invested by said division. This review led to the recognition of an impairment loss at the end of 2014.

The provisions relate to the use of the extraordinary benefits under the Bilateral fund for income assistance.

Net financial expense of €169 million worsened by €89 million (-111.25%) on the previous year. The change is mainly due to the €71 million decrease in financial income, of which €65 million refers to FS Logistica, as in 2014 it also recognised a non-recurring gain generated by the update of the fair value estimate of some receivables and the discounting period of some receivables. Furthermore, profits from equity-accounted investees decreased by €19 million.

Income taxes for this segment amount to €22 million, down by €57 million (-72.2%). The IRAP tax decreased considerably (-€58 million), mainly because companies are permitted to deduct total personnel expense relating to employees hired under open-ended contracts from the IRAP tax base beginning in 2015, as permitted by the 2015 Stability Act.

Loans and borrowings

- **FS S.p.A., Trenitalia S.p.A. and Eurofima SA signed the Amendment of amendment agreement of deeds of pledge over movables**

On 15 January 2015, with respect to the portfolio of rolling stock financial transactions in which the associate Eurofima SA acts as the lender for FS Italiane group, following the implementation of a plan to scrap rolling stock, FS S.p.A., Trenitalia S.p.A. and Eurofima SA signed an "Amendment of amendment agreement of deeds of pledge over movables dated 30 October 2009" to replace part of the pledged rolling stock for a total amount of approximately €80 million.

- **Interest rate risk hedging**

In July 2015, 20 interest rate swaps were agreed to hedge Trenitalia S.p.A.'s interest rate risk. They have a notional amount of approximately €2.7 billion, became effective in the second half of 2015 and will expire in the second half of 2018, predetermining the cost of the hedged liability, including the credit spread, usually below 0.5% in three-year reference period.

- **€300 million loan agreement**

On 10 November 2015, following a competitive procedure among nine financial institutions launched in July, FS Italiane entered into a four-year loan agreement for an amount of €300 million, with the joint venture made up of BNL Group BNP Paribas, as the "agent" and UBI Banca S.p.A. and Banca Carige S.p.A. as the "principals". The proceeds from this transaction will be used to purchase rolling stock for long haul and regional transport services by signing an intercompany loan agreement between FS S.p.A. and Trenitalia S.p.A., using the above loan agreement, with substantially the same amount and characteristics and conditions in terms of restrictions and commitments for the parties.

- **Factoring of receivables from the Calabria region**

In November, following a tender, the FS group carried out the first without-recourse factoring of certified receivables using the electronic platform for the electronic issue of the certificates required by article 7.1 of Law decree no. 35 of 8 April 2013, converted, with amendments, by the Law of 6 June 2013. This transaction involved the receivables due to Trenitalia S.p.A. from the Calabria region with a nominal amount of €64 million.

Infrastructure

The main group company operating in the **Infrastructure** segment is Rete Ferroviaria Italiana S.p.A. ("RFI") which, as the national railway network operator, maintains, develops and uses it and the related safety systems, in addition to managing research and development in the field of railway transport and ensuring connections to Italy's largest islands by sea. Moreover, RFI S.p.A. manages real estate assets that are not functional to railway operations as owner.

To a lesser extent, Italferr S.p.A., the group's engineering company, also contributes to the results of this segment, along with other group companies that handle infrastructure, such as Brenner Basis Tunnel ("BBT"), Tunnel Ferroviario del Brennero ("TFB") and Tunnel Euralpin Lyon Turin ("TELT"). The core business of all these companies is the construction of tunnels between Italy and Austria and Italy and France.

	millions of Euros			
	2015	2014	Change	%
Revenue from sales and services	2,222	2,218	4	0.2
Other income	305	309	(4)	(1.3)
Revenue	2,527	2,527		
Operating costs	(2,256)	(2,079)	(177)	(8.5)
Gross operating profit	271	448	(177)	(39.5)
Operating profit	151	346	(195)	(56.4)
Segment profit (attributable to the owners of the parent and non-controlling interests)	111	129	(18)	(14.0)

	31.12.2015	31.12.2014	Change
Net invested capital	32,880	32,898	(18)

The **Infrastructure** segment showed a **profit for 2015** of €111 million, down by €18 million (-14.0%) on the previous year.

	millions of Euros			
	2015	2014	Change	%
Revenue from sales and services	2,222	2,218	4	0.2
Revenue from infrastructure services	2,159	2,138	21	1.0
Other service revenue	63	80	(17)	(21.3)
Other income	305	309	(4)	(1.3)
Revenue	2,527	2,527		

Revenue from sales and services consists of revenue from infrastructure services and traffic-related services provided by RFI S.p.A. (€2,178 million) and revenue for engineering services provided by Italferr S.p.A. (€44 million). In particular, **Revenue from infrastructure services** rose by €21 million from €2,138 million in 2014 to €2,159 million in 2015.

Because RFI S.p.A. is the railway network operator, its revenue trend is closely related to and influenced by the legislative measures that regulate the sector. Specifically, the following changes were seen in the year:

- government grants of €975 million, unchanged on the previous year;
- a €45 million decrease in toll revenue, mainly due to greater revenue generated by the increase in trains-km that travelled on the national infrastructure, offset by the above-mentioned reduction in HS/HC network toll charge, following ART resolution no. 70 of 31 October 2014, which decreased the unit toll charge for the HS/HC network and required the recalculation of the toll for trains carrying rolling stock for HS services only. Specifically, the ART introduced regulatory measures that consolidate the HS railway market, immediately enforceable in relation to the toll charge for the use of the railway infrastructure. This led to a reorganisation of the toll system and of the HS/HC network unit toll charge which was reduced from €12.81/km to €8.2/km;
- a €66 million increase in revenue from the sale of electrical energy for traction due to the rise in the related purchase cost, in accordance with Law no. 116/2014, which led to the reorganisation of the electricity tariff system of Ferrovie dello Stato Italiane group. In this respect, it should be noted that, in addition to changing the tariff system, the law also prevented full recharging of the costs incurred by the Infrastructure operator to procure electrical energy for traction to railway companies.

Other service revenue of €63 million decreased (-€17 million) due to the combined effect of the reduction in revenue from traffic-related services generated by RFI S.p.A. (-€21 million) and the increase in Italferr S.p.A.'s revenue from engineering services (+€4 million). The decrease in traffic-related services is mainly due to the reduction in revenue from assistance services to people with reduced mobility (-€11 million), again as a consequence of above-mentioned ART resolution no. 70, and revenue from shunting services (-€7 million).

Other income almost entirely relates to RFI S.p.A. and decreased from €309 million to €305 (-€4 million) following ordinary infrastructure-related activities.

millions of Euros

	2015	2014	Change	%
Personnel expense	1,502	1,517	(15)	(1.0)
Other costs, net	754	562	192	34.2
Raw materials, consumables, supplies and goods	640	419	221	52.7
Services	656	552	104	18.8
Use of third-party assets	48	44	4	9.1
Other operating costs	120	118	2	1.7
Internal work capitalised	(710)	(571)	(139)	24.3
Operating costs	2,256	2,079	177	8.5

Personnel expense showed a total decrease of €15 million on 2014, mainly due to the reduction in RFI S.p.A.'s workforce following the streamlining of the company's organisational structure and its use of leaving incentives.

Other costs, net increased by €192 million, from €562 million in 2014 to €754 million in 2015; this increase was due to the general rise in costs, including those for raw materials, consumables and supplies (+€221 million with greater investments of €100 million and greater costs for electrical energy - mainly due to the effects of Law no. 116/2014 and the €107 million increase in costs of fuel for train traction, both of which were attributable to RFI S.p.A.) and costs for

services (+€104 million). The change in the latter costs reflects the fact that the 2014 corresponding balance benefited from the RFI S.p.A.'s release of the provision for maintenance risk (€111 million). Internal work capitalised rose by €139 million as a consequence of the increase in extraordinary maintenance mainly carried out by RFI.

Operating profit came to €151 million (-€195 million on 2014) and is affected not only by the weaker profit from the core business (-€177 million), but by the €8 million increase in amortisation and depreciation as well, due to the change in the HS/HC network toll which reflects the increase in train-km volumes, and the €15 million provision to the Bilateral fund for income assistance which will assist personnel leaving the company who meet specific requirements over the next few years.

Net financial expense improved by €6 million from €43 million to €37 million. This change relates to RFI S.p.A. and is mainly the result of the decrease in financial expense (-€7 million) mainly in connection with the interest cost on post-employment benefits.

Income taxes decreased by €171 million. In 2014, they were affected by the release of deferred tax assets (-€146 million) by RFI S.p.A. as a result of the new legislation introduced by article 1.20 of Law no. 190/2014 (the 2015 Stability Act - full deductibility of all personnel expense relating to employees hired under open-ended contracts from the IRAP tax base) which practically zeroed the IRAP cost for the company, thereby eliminating the basis for the recognition of deferred tax assets.

Loans and borrowings

MEF-EIB reached an agreement to finance works for the upgrading of the traditional network

On 30 January 2015, at the Ministry of the Economy and Finance (MEF), the MEF and the European Investment Bank (EIB) reached an agreement to finance RFI S.p.A.'s action plan. The agreement, which grants a loan worth €950 million to be used to upgrade traditional railway lines and the regional and local lines from northern to southern Italy, was signed by the EIB's deputy chairman and the Treasury's Director General. FS Italiane's and RFI's MDs were also present, including MIT's representatives.

Real Estate Services

The main companies operating in the **Real Estate Services** segment are those that manage the main railway stations (Grandi Stazioni group and Centostazioni S.p.A.). In addition, this segment also includes the FS Italiane group companies that develop real estate assets that are not functional to railway operations and handle the sale of land and buildings held for trading.

In particular, the Grandi Stazioni group manages and redevelops the 13 main Italian railway stations (Roma Termini, Milano Centrale, Torino Porta Nuova, Firenze Santa Maria Novella, Bologna Centrale, Napoli Centrale, Venezia Mestre and Santa Lucia, Verona Porta Nuova, Genova Piazza Principe, Genova Brignole, Palermo Centrale and Bari Centrale), manages the Roma Tiburtina station and, through its subsidiary Grandi Stazioni Repubblica Ceskà Sro, manages the Central Prague and Mariánské Lázně stations in the Czech Republic.

On the other hand, Centostazioni S.p.A. redevelops and oversees the optimal management of 103 station complexes throughout Italy, leveraging their use as commercial centres by developing various business opportunities within the stations.

The Real Estate Services segment also includes FS Sistemi Urbani S.r.l., which develops real estate assets not functional to railway operations through the integrated management, real estate service development and redevelopment of the areas that surround the stations and connect the adjacent cities with stations and transport hub infrastructures.

Furthermore, the parent FS S.p.A.'s real estate activities also contribute to the results of this segment, as it provides support/consultancy services to the group companies and handles the sale of the FS group's land and buildings held for trading.

Finally, this segment includes companies like Metropark S.p.A. which studies, designs and builds car parks and manages the car parks and depots for all types of private and public means of transport and, up until 23 December 2015, S.EL.F S.r.l. which manages the transport and dispatching of electrical energy. On this date, as described later on, Ferrovie dello Stato Italiane S.p.A. sold S.EL.F S.r.l.'s entire quota capital to Terna S.p.A., following the partial demerger of RFI S.p.A.'s electrical assets to S.EL.F S.r.l..

millions of Euros

	2015	2014	Change	%
Revenue from sales and services	16	15	1	6.7
Other income	384	357	27	7.6
Revenue	400	372	28	7.5
Operating costs	(295)	(274)	(21)	(7.7)
Gross operating profit	105	98	7	7.1
Operating profit	49	58	(9)	(15.5)
Segment profit (attributable to the owners of the parent and non-controlling interests)	11	30	(19)	(63.3)

	31.12.2015	31.12.2014	Change
Net invested capital	2,000	1,978	22

The Real Estate Services segment showed a **Profit for the year** of €11 million, down by €19 million on 2014.

millions of Euros

	2015	2014	Change	%
Revenue from sales and services	16	15	1	6.7
Revenue from the sale of electrical energy for traction	8	7	1	14.3
Other service revenue	8	8		
Other income	384	357	27	7.6
Revenue	400	372	28	7.5

Revenue amounts to €400 million, up by €28 million on 2014 (+7.5%). Of this amount, €1 million is due to **Revenue from the sale of electrical energy for traction** by S.E.L.F. S.r.l. and the increase in **Other income**, from €357 million in 2014 to €384 million (+7.6%) in 2015.

The latter increase (+€27 millions) is mainly due to the rise in revenue from real estate management by FS Sistemi Urbani S.r.l. (+€8 million), Grandi Stazioni S.p.A. (+€12 million), Centostazioni S.p.A. (+€1 million) and revenue from fines paid to Grandi Stazioni S.p.A. following the delay in dismantling some work sites and the compensation for damage suffered by the Rome Tiburtina railway stations (€6 million).

Moreover, the increase in revenue from property management earned by FS Sistemi Urbani S.r.l. is due exclusively to the revenue of approximately €8 million from the sale of trading land and buildings. Indeed, during the year, the company sold these assets for a total of over €10 million, generating gains exceeding €5 million.

millions of Euros

	2015	2014	Change	%
Personnel expense	33	33		
Other costs, net	262	241	21	8.7
Raw materials, consumables, supplies and goods	37	8	29	>200
Services	136	146	(10)	(6.8)
Use of third-party assets	64	62	2	3.2
Other operating costs	33	28	5	17.9
Internal work capitalised	(8)	(3)	(5)	166.7
Operating costs	295	274	21	7.7

Operating costs amount to €295 million, up by €21 million on 2014 (+7.7%), exclusively due to the increase in other costs, net.

The €21 million increase in **Other costs, net** is mainly due to the rise in costs for raw materials, consumables, supplies and goods (+€29 million) and use of third party assets (+€2 million), offset in part by a drop in costs for services (-€10 million).

Costs for raw materials, consumables, supplies and goods amount to €37 million, up by €29 million. Of this amount, €17 million refers to the change in FS Sistemi Urbani S.r.l.'s trading land and buildings following the impairment losses on the real estate complexes of Cremona, Palermo Sanpolo, Turin Spina 2 – Porta Susa, Bologna Cave di Reno,

Padua Via Crimea and Pistoia, and €8 million to the impairment losses recognised by the parent FS Italiane S.p.A. to align the assets' carrying amount with their market value, while €4 million is due to the greater cost of goods sold for 2015, compared to 2014.

Services amount to €136 million and are down by €10 million on 2014 following the combined effect of various factors, mainly of the release of a provision previously accrued by FS Sistemi Urbani S.r.l. for trading buildings that was in excess after the definitive transaction took place in 2015 (-€28 million) and the €15 million increase in advertising and promotion costs, costs for managing real estate complexes and Grandi Stazioni group's engineering services.

Use of third-party assets rose by €2 million on 2014 following the increase in repurchase instalments as a consequence of greater revenue from leases and media activities by Grandi Stazioni S.p.A..

The Real Estate segment's **Gross Operating Profit** for 2015 is €105 million, up by €7 million on 2014 (+7.1%) due to the increase in revenue which was more than proportionate to the increase in operating costs.

During the year, **Amortisation and depreciation** decreased by €1 million on 2014, while **impairment losses (reversals of impairment losses)** rose by €17 million, mainly as a consequence of greater impairment losses recognised by FS Sistemi Urbani S.r.l. and the parent Fs Italiane S.p.A. on investment property.

The **operating profit** for this segment came to €49 million in 2015, showing a decrease of €9 million on 2014.

Net financial expense amounts to -€5 million and is substantially in line with the 2014 balance.

Income taxes increased by €11 million on 2014. This difference is mainly related to the negative net effect of the prospective change to the IRES rate from 27.5% to 24% starting from 2017 (+€9 million) on FS S.p.A.'s deferred taxes.

Other Services

Ferrovie dello Stato Italiane S.p.A. operates in the **Other Services** segment in its role as the group's holding company, steering and coordinating the operating companies' business policies and strategies. Ferservizi S.p.A. also operates in this segment, managing the activities not directly related to railway operations as outsourcer for the group's main companies. The other companies that operate in this segment are: Fercredit S.p.A., which mainly develops the credit factoring and lease business on the captive market and strives to expand the consumer credit business for Ferrovie dello Stato Italiane employees, and Italcertifer S.p.A. which carries out certification, validation and testing activities on transport and infrastructure systems.

	millions of Euros			
	2015	2014	Change	%
Revenue from sales and services	(1)	1	(2)	>200
Other income	275	252	23	9.1
Revenue	274	253	21	8.3
Operating costs	(220)	(222)	2	(0.9)
Gross operating profit	54	31	23	74.2
Operating profit	28	5	23	>200
Segment profit (attributable to the owners of the parent and non-controlling interests)	186	54	132	>200

	31.12.2015	31.12.2014	Change
Net invested capital	160	155	5

Other Services showed a **profit for 2015** of €186 million, up by €132 million on the previous year (increase of more than 200%).

	millions of Euros			
	2015	2014	Delta	%
Revenue from sales and services	(1)	1	(2)	>200
Other income	275	252	23	9.1
Revenue	274	253	21	8.3

Revenue of €274 million increased by €21 million (+8.3%) and almost exclusively consists of **Other income** of €275 million, which includes revenue from the non-core business.

The main change of the year refers to the gain on the sale of the net assets related to RFI's electricity transmission grid to Terna S.p.A. (+€18 million), recognised considering the estimated charges related to the guarantees included in the sale agreement and the registration tax on the transaction. On 9 December 2015, Ferrovie dello Stato Italiane S.p.A. and Terna S.p.A. signed a contract for the sale of the equity investment in S.EL.F. S.r.l. which received, following the demerger from RFI S.p.A., the HV electricity transmission, which became effective on 23 December 2015.

Other income consists of the following:

- revenue from real estate management generated by Ferservizi S.p.A. in connection with the management of spaces and offices for the group, totalling €32 million and showing no material changes in the year;

- revenue generated by Ferservizi S.p.A. from facility management and administrative services, amounting to approximately €138 million, up by €3 million;
- revenue generated by the parent from recharging group companies for services and consultancy provided under the service and consultancy agreement and for fee income from the use of trademarks, totalling €67 million, down by approximately €1 million;
- revenue generated by Italcertifer (€14 million) following the considerable increase in the order backlog (+€3 million) and the completion of a significant number of contracts, especially with third-party customers;
- revenue generated by Fercredit for the sale of its lease, factoring and consumer credit products, amounting to €4 million, with no material changes in 2015.

Revenue from sales and services, showing a negative balance of €1 million refers exclusively to the change in work in progress related to Italcertifer S.p.A.. During the year, the company completed the contracts it had begun in previous years, with a €2 million decrease in work in progress.

	millions of Euros			
	2015	2014	Delta	%
Personnel expense	135	144	(9)	(6.3)
Other costs, net	85	78	7	9.0
Raw materials, consumables, supplies and goods				0.0
Services	64	59	5	8.5
Use of third-party assets	6	6		
Other operating costs	15	13	2	15.4
Internal work capitalised				0.0
Operating costs	220	222	(2)	(0.9)

Personnel expense of €135 million shows an overall decrease of €9 million (-6.3%) on the previous year. This change is the result of the reduction in the average number of employees following the gradual, ongoing reorganisation of production and labour at segment companies and the decrease in costs for leaving incentives following Ferrovie dello Stato Italiane S.p.A.'s completion of the reorganisation process.

Other costs of €85 million increased by €7 million (+9.0%) in the year. This change is mainly due to the increase in Other services segment companies' travelling personnel accommodation costs at hotels as an alternative to railway hotels and greater membership fees due as a contribution to Fondazione FS Italiane.

Gross operating profit amounts to €54 million (+€23 million on 2014), while **Operating profit** of €28 million is up by €23 million on 2014 and is affected by a slight increase in amortisation and depreciation (+€1 million), a decrease in impairment losses (-€4 million) and greater amortisation of the charges related to the Bilateral fund for income assistance to launch production streamlining projects mainly attributable to the parent (+€3 million).

Net financial income rose from €17 million to €92 million in 2015. This change is mainly due to:

- €75 million increase in other financial income which was considerably affected by the gain generated by the recalculation of the carrying amount of the equity investment in Eurofima SA, based in Basel, with respect to the nature of the callable share-related bonds;

- €16 million decrease in interest income on the loans granted to Rete Ferroviaria Italiana S.p.A. and Trenitalia S.p.A.;
- €4 million decrease in exchange rate losses for 2014;
- €12 million decrease in borrowing costs.

The profit for the year benefited from a positive balance of **Income taxes** of €66 million and includes the positive effects of the national tax consolidation scheme and those of the 2016 Stability Act (Law no. 208 of 28 December 2015) among the parent's core operations. The Stability Act introduced a decrease in the IRES rate from 27.5% to 24% starting from 2017, thereby impacting deferred taxes.

Loans and borrowings

- **FS Italiane's board of directors approved the bond issue**

On 25 February 2015, FS Italiane S.p.A.'s board of directors approved a bond issue as part of the EMTN Programme listed on the Irish stock exchange for a maximum total of €1.5 billion and a duration of between four to 12 years. The relevant amounts will be used to finance FS Italiane group's needs, in line with the forecasts of the 2014-2017 Business plan, specifically with respect to RFI S.p.A.'s investments in the HS/HC infrastructural project and Trenitalia S.p.A.'s project to purchase rolling stock to be used in the HS and regional transport sectors.

- ***Backup facility***

On 22 May 2015, FS Italiane S.p.A. signed a backup facility agreement with a banking syndicate comprised of ten leading Italian and international banks for a total of €1.5 billion and a three-year term. This transaction was completed following a selection process launched by the parent in February in which 16 banks participated. The backup facility is a revolving committed credit line and represents an important liquidity reserve for FS group's numerous cash needs. The credit line is to be used for general purposes; consequently, the relevant income may be used for the FS group's numerous operating needs, including investments in infrastructure and rolling stock.

Based on the above facility and substantially applying the same terms and conditions in terms of restrictions and commitments for the parties, FS granted two three-year intercompany credit lines (revolving and committed) to the subsidiaries Trenitalia (€800 million) and RFI (€400 million).

- **Fitch rating confirmed**

On 5 November 2015, Fitch Ratings confirmed FS Italiane's Long-Term Issuer Default Rating of "BBB+" and stable outlook in line with that of Italy. Furthermore, Fitch confirmed the "BBB+" rating of the Euro Medium Term Notes Programme and the notes issued as part of said Programme.

- **Standard & Poor's rating confirmed**

On 2 December 2015, Standard & Poor's issued its annual credit rating of FS Italiane, confirming its Long-Term Corporate Credit Rating of "BBB-" and the Stand Alone Credit Profile of "bbb".

The outlook remains stable in line with that of Italy.

- **Update of the Base Prospectus**

On 21 December 2015, the Central Bank of Ireland approved the update of the Base Prospectus for FS Italiane's Euro Medium Term Notes ("EMTN") Programme, which was listed on the Dublin stock exchange in July 2013. The update

mainly affected the sections “Description of the Issuer”, “Information incorporated by reference” and “Taxation” in order to include the 2014 financial statements and 2015 half year report data in the prospectus and to include relevant information about developments in legislation and corporate events that had a material impact on the FS group’s business. No changes were made to the section “Terms and Conditions of the Notes”. Furthermore, in conjunction with the update, a new Programme Manual and a new Dealer Agreement were signed.

The updating of this documentation was necessary as FS Italiane plans to issue additional notes.

- **EIB bond issue**

On 23 December 2015, the European Investment Bank fully subscribed the bond issued by FS Italiane as part of the EMTN Programme. It amounts to €300 million, bears interest at a floating rate and has a 10-year term. Settlement took place on 12 January 2016.

The rating agencies issued a rating in line with those assigned to FS Italiane and the EMTN Programme (S&P: BBB-; Fitch: BBB+ with stable outlook).

This bond will finance the purchase of new rolling stock for regional transport in the Lazio, Tuscany, Veneto, Piedmont and Liguria regions, entailing the agreement of an intercompany loan between FS Italiane and Trenitalia, using the issue funds, and substantially reflecting the contractual terms and conditions in terms of restrictions and commitments for the parties.

Ferrovie dello Stato Italiane S.p.A.'s performance

Income statement

	millions of Euros			
	2015	2014	Change	%
Revenue	147	148	(1)	(0.7)
- Revenue from sales and services	140	142	(2)	(1.4)
- Other revenue	7	6	1	16.7
Operating costs	(145)	(142)	(3)	(2.1)
GROSS OPERATING PROFIT	2	6	(4)	(66.7)
Amortisation and depreciation	(24)	(22)	(2)	
Reversals of impairment losses	(13)	(6)	(7)	116.7
Provisions	(3)		(3)	N/A
OPERATING LOSS	(38)	(22)	(16)	72.7
Net financial income	177	115	62	53.9
PRE-TAX PROFIT	139	93	46	49.5
Income taxes	(2)	(4)	2	(50.0)
PROFIT FOR THE YEAR	137	89	48	53.9

The **Profit for 2015** amounts to €137 million, showing an improvement of €48 million (+53.9%) on the previous year.

Gross operating profit decreased by €4 million, from a gross operating profit of €6 million to a gross operating profit of €2 million, the net result of the following factors:

- €1 million decrease in **Revenue** (€147 million in 2015 compared to €148 million in 2014) mainly due to the effect of lower revenue from property management;
- €3 million increase in **Operating costs** (€145 million in 2015 compared to €142 million in 2014), mainly due to the effect of greater impairment losses on trading land and buildings (+€8 million), following the continuation, also in 2015, of the appraisal-based analyses and checks of the carrying amount of the company's real estate assets against the performance of the real estate market, greater charges for membership fees paid to Fondazione FS (+€1 million) and greater non-deductible VAT accrued during the year (+€2 million), offset by the decrease in personnel expense (-€6 million), mainly as a consequence of lower costs for leaving incentives and use of third-party assets due to the reduction in property lease instalments (-€2 million).

The company reports another **Operating loss** of €38 million (2014: a loss of €22 million) (+72.7%), mainly due to the increase in the impairment losses recognised during the year on investment property (-€7 million), amortisation and depreciation of the year (-€2 million) and the provision for the charges related to the Bilateral fund for income assistance (-€3 million).

Net financial income improved by €62 million, mainly due to the combined effect of:

- the decrease in dividends distributed by group companies, totalling €27 million, mainly the net effect of smaller dividends received by RFI (-€40 million) and greater dividends received by Trenitalia (+€11 million);
- greater other financial income, for a total of €99 million, which is considerably affected by the recalculation of the carrying amount of the equity investment in Eurofima SA, based in Basel, following the in-depth analysis of Swiss company law with respect to the nature of the obligations related to the callable shares, and the gain on the sale of S.EL.F S.r.l. to Terna S.p.A. (€18 million) calculated considering, pursuant to article 1.193, letter c) of the 2015

Stability Act, the recognition of the liability for grants related to assets to RFI (€272 million), the estimated charges related to the guarantees included in the sale agreement (€67 million) and the registration tax on the transaction (€13 million).

Income taxes are down by €2 million on the previous year mainly as a consequence of the combination of the increase in current taxes, net of the profits from the tax consolidation scheme (€16 million), the effect of the full use of prior year losses, the decrease in deferred tax assets and liabilities (€17 million), arising mostly from the recalculation of deferred tax assets and liabilities to reflect the decrease in the IRES rate from 27.5% to 24%, introduced by the 2016 Stability Act (Law no. 208 of 28 December 2015) and applicable starting from 2017, and the greater adjustments to prior year taxes (+€1 million).

Reclassified statement of financial position

	millions of Euros		
	31.12.2015	31.12.2014	Change
ASSETS			
Net operating working capital	537	543	(6)
Other assets, net	(232)	(173)	(59)
Working capital	305	370	(65)
Non-current assets	583	602	(19)
Equity investments	35,062	35,563	(501)
Net non-current assets	35,645	36,165	(520)
Post-employment benefits	(12)	(14)	2
Other provisions	(644)	(515)	(129)
Post-employment benefits and other provisions	(656)	(529)	(127)
NET INVESTED CAPITAL	35,294	36,006	(712)
COVERAGE			
Net current financial debt	(1,084)	(334)	(750)
Net financial debt	(1,084)	(334)	(750)
Equity	36,378	36,340	38
COVERAGE	35,294	36,006	(712)

Net invested capital of €35,294 million decreased by €712 million in the year due to the reduction in **Working capital** (€65 million) and **Net non-current assets** (€520 million) and the increase in **Post-employment benefits and other provisions** (€127 million).

Net operating working capital of €537 million decreased by €6 million in the year, mainly due to:

- the net decrease in trade receivables and payables (€5 million);
- the decrease in trading land and buildings (€1 million) mainly due to the purchase of the real estate complex in Treviso by the subsidiary FS Logistica (+€10 million) and extraordinary maintenance to buildings (+€3 million), offset by the sales of the year (-€6 million) and the impairment losses recognised (-€8 million) in order to align the assets' carrying amount with the market value, following the above-mentioned continuation of the evaluation and analyses of the Company's real estate assets.

Other assets, net decreased by €59 million following the net increase of €103 million in VAT assets and liabilities and the balance of current and non-current receivables and payables, that decreased by a net €162 million, mainly as a result of:

- the cancellation of the recognised obligation relating to the associate Eurofima SA's callable shares (€194 million), with the concurrent decrease in the investment's carrying amount, following the above-mentioned analyses of Swiss company law;
- the recognition of the liability for grants related to assets (€272 million), following the sale of S.EL.F S.r.l. to Terna S.p.A., in accordance with article 1.193, letter c) of the 2015 Stability Act;
- the decrease in non-trade receivables from group companies following the collection of the 2013 dividends paid by the subsidiary RFI S.p.A. (€73 million).

Net non-current assets came to €35,645 million, down by €520 million on 2014, mainly due to the decrease in the carrying amount of the equity investment in Eurofima SA, as described earlier (-€118 million), and the sale of the equity investment in S.EL.F S.r.l. to Terna S.p.A. (-€387 million), as explained in detail in the notes to the income statement.

The increase in **Post-employment benefits and other provisions** (€127 million) mainly reflects the net increase in the tax provision for tax consolidation (€74 million) and other sundry risks (€69 million), offset by the decrease in the provision for deferred tax liabilities (€14 million) and the provision for post-employment benefits and other employee benefits (€2 million).

Net financial debt increased by €750 million, with net cash rising from €334 million at 31 December 2014 to €1,084 million at 31 December 2015. This change is mainly due to Terna S.p.A.'s collection of 23 December 2015 (€757 million) for the above sale of the equity investment in S.EL.F S.r.l..

Finally, **Equity** shows a €38 million increase, mainly due to the profit for the year, net of the €100 million paid to the Ministry of the Economy and Finance in two instalments pursuant to article 10 of Law decree no. 192/2014 (the so-called "12 extensions", converted into Law no. 11 of 7 February 2015).

Consolidated financial statements

Statement of financial position

millions of Euros

	31.12.2015	31.12.2014
Assets		
Property, plant and equipment	44,692	44,002
Investment property	1,578	1,643
Intangible assets	713	647
Deferred tax assets	192	139
Equity-accounted investments	302	301
Non-current financial assets (including derivatives)	2,788	3,385
Non-current trade receivables	94	93
Other non-current assets	1,866	1,127
Total non-current assets	52,225	51,337
Construction contracts	46	43
Inventories	1,953	1,940
Current trade receivables	2,650	2,389
Current financial assets (including derivatives)	607	597
Cash and cash equivalents	1,305	1,308
Tax assets	122	101
Other current assets	4,069	5,809
Total current assets	10,752	12,187
Assets held for sale and disposal groups		3
Total assets	62,977	63,527
Total equity and liabilities		
Share capital	36,340	38,790
Reserves	(96)	311
Reserves for unrealised gains and losses	(533)	(686)
Retained earnings (losses carried forward)	1,388	(1,661)
Profit for the year	448	292
Equity attributable to the owners of the parent	37,547	37,046
Profit for the year	16	11
Share capital and reserves attributable to non-controlling interests	273	261
Total equity attributable to non-controlling interests	289	272
Equity	37,836	37,318
Liabilities		
Non-current loans and borrowings	8,571	9,591
Post-employment benefits and other employee benefits	1,799	1,964
Provisions for risks and charges	889	822
Deferred tax liabilities	293	199
Non-current financial liabilities (including derivatives)	112	155
Non-current trade payables	18	20
Other non-current liabilities	344	553
Total non-current liabilities	12,026	13,304
Current loans and borrowings and current portion of non-current loans and borrowings	2,572	1,498
Current portion of provisions for risks and charges	30	22
Current trade payables	3,826	3,628
Tax liabilities	7	5
Non-current financial liabilities (including derivatives)	244	272
Other current liabilities	6,436	7,480
Total current liabilities	13,115	12,905
Total liabilities	25,141	26,209
Total equity and liabilities	62,977	63,527

Income statement

	millions of Euros	
	2015	2014
Revenue		
Revenue from sales and services	7,881	7,734
Other income	704	656
Total revenue	8,585	8,390
Operating costs		
Personnel expense	(3,934)	(3,918)
Raw materials, consumables, supplies and goods	(1,159)	(898)
Services	(2,386)	(2,185)
Use of third-party assets	(181)	(172)
Other operating costs	(165)	(161)
Internal work capitalised	1,215	1,058
Total operating costs	(6,610)	(6,276)
	(1,228)	(1,153)
Amortisation and depreciation))
Reversals of impairment losses	(55)	(296)
Provisions	(48)	(6)
Operating profit	644	659
Financial income and expense		
Financial income	116	107
Financial expense	(231)	(245)
Net financial expense	(115)	(138)
Share of profits of equity-accounted investees	8	27
Pre-tax profit	537	548
Income taxes	(73)	(245)
Profit for the year (attributable to the owners of the parent and non-controlling interests)	464	303
<i>Profit for the year attributable to the owners of the parent</i>	448	292
<i>Profit for the year attributable to non-controlling interests</i>	16	11

Statement of comprehensive income

millions of Euros

2015 2014

	2015	2014
Profit for the year (attributable to the owners of the parent and non-controlling interests)	464	303
Other comprehensive income		
Items that will not be reclassified to profit or loss, net of the tax effect:		
Actuarial gains (losses)	72	(164)
attributable to the owners of the parent	72	(163)
attributable to non-controlling interests		(1)
Items reclassified to profit or loss	24	27
Items that will or may be reclassified to profit or loss, net of the tax effect:		
Cash flow hedges - effective portion of changes in fair value	56	8
attributable to the owners of the parent	55	8
attributable to non-controlling interests	1	
Net exchange rate gains	1	
Total other comprehensive income (expense), net of the tax effect	153	(129)
Comprehensive income (attributable to the owners of the parent and non-controlling interests)	617	174
<i>Comprehensive income attributable to:</i>		
Owners of the parent	600	165
Non-controlling interests	17	9

Statement of changes in equity

In millions of Euros

Equity														
	Reserves									Retained earnings (losses carried forward)	Profit for the year	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
	Share capital	Legal reserve	Extraordinary reserve	Other reserves	Translations reserve	Reserve for unrealised gains and losses			Total reserves					
Balance at 1 January 2014	38,790	21	28	255	3	(326)	(232)		(251)	(2,106)	459	36,892	262	37,154
Capital increase (decrease)														7
Dividend distribution														(6)
Allocation of the profit for the previous year		4							4	455	(459)			
Change in consolidation scope										(12)		(12)		(12)
Other changes										2		2	(2)	
Comprehensive income/(expense)							35	(163)	(128)		292	164	11	175
of which:														
Profit for the year											292	292	11	303
Gains/(losses) recognised directly in equity							35	(163)	(128)			(128)		(128)
Balance at 31 December 2014	38,790	25	28	255	3	(291)	(395)		(375)	(1,661)	292	37,046	272	37,318
Capital increase (decrease)	(2,450)	(25)	(28)	(255)				2	(306)	2,756			9	9
Dividend distribution													(8)	(8)
Allocation of the profit for the previous year										292	(292)			
Change in consolidation scope													1	1
Other changes				(100)					(100)	1		(99)	(2)	(101)
Comprehensive income/(expense)					1	79	72		152		448	600	17	617
of which:														
Profit for the year											448	448	16	464
Gains/(losses) recognised directly in equity					1	79	72		152			152	1	153
Balance at 31 December 2015	36,340			(100)	4	(212)	(321)		(629)	1,388	448	37,547	289	37,836

Statement of cash flows

millions of Euros

	2015	2014
Profit for the year	464	303
Amortisation and depreciation	1,228	1,153
Share of losses of equity-accounted investees	(8)	(27)
Accruals to provisions and impairment losses	267	413
Profits on sales	(52)	(60)
Change in inventories	18	(36)
Change in trade receivables	(242)	86
Change in trade payables	191	133
Change in current and deferred taxes	15	124
Change in other liabilities	(1,257)	385
Change in other assets	1,005	(968)
Utilisation of the provisions for risks and charges	(153)	(271)
Payment of employee benefits	(126)	(133)
Net cash flows generated by operating activities	1,349	1,102
Increases in property, plant and equipment	(5,203)	(3,953)
Increases in investment property	(5)	(5)
Increases in intangible assets	(167)	(205)
Increases in equity investments	(144)	(54)
Investments, before grants	(5,519)	(4,217)
Grants for property, plant and equipment	2,884	2,481
Grants for investment property		2
Grants for intangible assets	161	1
Grants for equity investments	133	46
Grants	3,178	2,484
Divestments of property, plant and equipment	432	108
Divestments of investment property		
Divestments of intangible assets	1	
Divestments of equity investments	30	
Divestments	464	108
Net cash flows used in investing activities	(1,878)	(1,625)
Disbursement and repayment of non-current loans	(426)	(409)
Disbursement and repayment of current loans	457	55
Change in financial assets	587	469
Change in financial liabilities	12	48
Changes in equity	(104)	(1)
Net cash flows generated by financing activities	525	163
Total cash flows	(3)	(361)
Opening cash and cash equivalents	1,308	1,622
Closing cash and cash equivalents	1,305	1,308

Financial statements of Ferrovie dello Stato Italiane S.p.A.

Statement of financial position

Euros

	31.12.2015	31.12.2014
Assets		
Property, plant and equipment	46,631,796	44,801,369
Investment property	495,697,316	519,273,412
Intangible assets	40,751,376	38,439,199
Deferred tax assets	216,513,175	213,966,058
Equity investments	35,061,749,047	35,562,960,772
Non-current financial assets (including derivatives)	4,955,020,659	5,438,794,498
Non-current trade receivables	5,951,878	6,096,509
Other non-current assets	741,695,836	442,598,611
Total non-current assets	41,564,011,083	42,266,930,428
Inventories	489,746,963	491,166,892
Current trade receivables	129,455,018	121,529,987
Current financial assets (including derivatives)	2,701,009,924	1,342,170,011
Cash and cash equivalents	257,675,108	183,086,063
Tax assets	82,388,664	81,909,893
Other current assets	1,068,079,921	400,277,255
Total current assets	4,728,355,598	2,620,140,101
Total assets	46,292,366,681	44,887,070,529
Equity		
Share capital	36,340,432,802	38,790,425,485
Reserves	(100,000,000)	307,602,382
Reserves for unrealised gains and losses	357,416	(1,869,832)
Losses carried forward		(2,844,937,242)
Profit for the year	137,379,615	89,212,009
Total equity	36,378,169,833	36,340,432,802
Liabilities		
Non-current loans and borrowings	4,953,357,794	5,438,641,624
Post-employment benefits and other employee benefits	11,878,392	13,905,651
Provisions for risks and charges	146,844,806	77,897,585
Deferred tax liabilities	497,569,561	437,741,502
Non-current financial liabilities (including derivatives)	1,331,993	
Other non-current liabilities	958,185,773	873,860,400
Total non-current liabilities	6,569,168,319	6,842,046,762
Current loans and borrowings and current portion of non-current loans and borrowings	1,416,336,462	701,887,360
Current trade payables	89,034,700	76,023,115
Tax liabilities	4,094,971	
Current financial liabilities (including derivatives)	458,263,790	489,518,719
Other current liabilities	1,377,298,606	437,161,771
Total current liabilities	3,345,028,529	1,704,590,965
Total liabilities	9,914,196,848	8,546,637,727
Total equity and liabilities	46,292,366,681	44,887,070,529

Income statement

	Euros	
	2015	2014
Revenue from sales and services	139,585,661	141,582,415
Other income	7,375,619	6,432,633
Total revenue	146,961,280	148,015,048
Personnel expense	(43,578,423)	(50,066,354)
Raw materials, consumables, supplies and goods	(15,133,477)	(6,347,152)
Services	(51,760,695)	(52,604,103)
Use of third-party assets	(3,556,502)	(5,041,227)
Other operating costs	(31,375,939)	(28,478,694)
Internal work capitalised	259,262	231,908
Total operating costs	(145,145,774)	(142,305,622)
Amortisation and depreciation	(23,672,488)	(21,638,745)
Reversals of impairment losses	(13,300,509)	(6,227,977)
Provisions	(2,968,643)	
Operating loss	(38,126,134)	(22,157,296)
Gains on equity investments	85,693,134	113,022,859
Other financial income	250,192,095	167,340,955
Losses on equity investments	(11,431,788)	(348,363)
Other financial expense	(147,532,610)	(164,977,046)
Net financial income	176,920,831	115,038,405
Pre-tax profit	138,794,697	92,881,109
Income taxes	(1,415,082)	(3,669,100)
Profit from continuing operations	137,379,615	89,212,009
Profit for the year	137,379,615	89,212,009

Statement of comprehensive income

	2015	Euros 2014
Profit for the year	137,379,615	89,212,009
Items that will not be reclassified to profit or loss:		
Actuarial gains (losses)	491,879	(970,854)
Tax effect on actuarial gains (losses)	(134,463)	262,111
Other comprehensive income (expense), net of the tax effect	357,416	(708,743)
Total comprehensive income	137,737,031	88,503,266

Statement of changes in equity

Euros

Equity									
	Share capital	Reserves				Total reserves	Retained earnings (losses carried forward)	Profit for the year	Total equity
		Legal reserve	Extraordinary reserve	Other reserves	Reserve for unrealised gains and losses				
					Actuarial reserve				
Balance at 1 January 2014	38,790,425,485	21,267,716	27,896,982	254,599,169	(1,161,089)	302,602,778	(2,917,869,021)	76,770,293	36,251,929,535
Capital increase									
Dividend distribution									
Allocation of profit for the previous year		3,838,515				3,838,515	72,931,778	(76,770,293)	
Other changes									
Recognised gains/(losses) of which:									
Profit for the year								89,212,009	89,212,009
Gains/(losses) recognised directly in equity					(708,743)	(708,743)			(708,743)
Balance at 31 December 2014	38,790,425,485	25,106,231	27,896,982	254,599,169	(1,869,832)	305,732,551	(2,844,937,242)	89,212,009	36,340,432,802
Share capital decrease	(2,449,992,683)								
Dividend distribution									
Allocation of profit for the previous year		(25,106,231)	(27,896,982)	(254,599,169)	1,869,832	(305,732,551)	2,755,725,233		
Other changes									
Recognised gains/(losses) of which:									
Profit for the year								89,212,009	(89,212,009)
Gains/(losses) recognised directly in equity				(100,000,000)		(100,000,000)			(100,000,000)
								137,379,615	137,379,615
					357,416	357,416			357,416
Balance at 31 December 2015	36,340,432,802			(100,000,000)	357,416	(99,642,584)		137,379,615	36,378,169,833

STATEMENT OF CASH FLOWS

	Euros	
	2015	2014
Profit for the year	137,379,615	89,212,009
Income taxes	1,415,081	3,669,100
Net financial income	(85,207,821)	(6,667,832)
Amortisation and depreciation	23,672,488	21,638,746
Accruals to provisions and impairment losses	94,443,020	1,742,161
Profits on sales	(17,623,746)	
Change in inventories	1,620,896	4,393,294
Change in trade receivables	(7,780,400)	8,252,907
Change in trade payables	13,011,585	1,828,072
Change in other assets	(434,913,133)	(188,633,170)
Change in other liabilities	687,768,596	39,001,934
Utilisation of the provisions for risks and charges	(11,664,608)	(1,793,631)
Payment of employee benefits	(1,687,540)	(2,881,566)
Financial income collected/financial expense paid	9,712,606	6,667,832
Change in tax assets/liabilities	58,209,163	49,248,846
Net cash flows generated by operating activities	468,355,802	25,678,702
Increases in property, plant and equipment	(553,402)	(466,355)
Increases in investment property	(556,612)	(765,835)
Increases in intangible assets	(16,442,193)	(12,367,196)
Increases in equity investments	(5,489,500)	(10,571,434)
Investments, before grants	(23,041,707)	(24,170,820)
Grants for intangible assets		1,008,071
Grants		1,008,071
Divestments of property, plant and equipment	18,417	1,098
Divestments of investment property	43,396	
Divestments of equity investments	405,036,872	
Divestments	405,098,685	1,098
Net cash flows generated by (used in) investing activities	382,056,978	(23,161,651)
Disbursement and repayment of non-current loans	(176,029,302)	(232,297,467)
Disbursement and repayment of current loans	405,194,574	69,227,703
Change in financial assets	(223,636,279)	224,637,968
Change in financial liabilities	2,295,450	
Changes in equity	(100,000,000)	
Net cash flows generated by (used in) financing activities	(92,175,557)	61,568,204
Total cash flows	758,237,223	64,085,255
Opening cash and cash equivalents	287,898,057	223,812,802
Closing cash and cash equivalents	1,046,135,280	287,898,057
of which infragroup	788,460,175	104,811,993

Segment reporting by business segment

The financial highlights of the group's operating segments for 2015 and 2014 are show below:

	millions of Euros					
2015	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Revenue from third parties	6,673	1,377	226	40		8,316
Inter-segment revenue	268	1,150	174	234	(1,557)	269
Revenue	6,941	2,527	400	274	(1,557)	8,585
Personnel expense	(2,290)	(1,502)	(33)	(135)	26	(3,934)
Other costs, net	(3,106)	(754)	(262)	(85)	1,531	(2,676)
Operating costs	(5,396)	(2,256)	(295)	(220)	1,557	(6,610)
Gross operating profit	1,546	271	105	54		1,975
Amortisation and depreciation	(1,086)	(94)	(31)	(17)		(1,228)
Impairment losses and accruals	(43)	(26)	(25)	(9)		(103)
Operating profit	417	151	49	28		644
Net financial income (expense)	(169)	(37)	(4)	92	11	(107)
Income taxes	(22)	(3)	(34)	66	(81)	(73)
Segment profit (loss) (attributable to the owners of the parent and non- controlling interests)	226	111	11	186	(70)	464

	millions of Euros					
31.12.2015	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Net invested capital	9,898	32,880	2,000	160	(243)	44,695

millions of Euros

2014	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Revenue from third parties	6,491	1,385	200	21	1	8,097
Inter-segment revenue	295	1,142	173	232	(1,549)	293
Revenue	6,787	2,527	372	253	(1,548)	8,390
Personnel expense	(2,248)	(1,517)	(33)	(144)	25	(3,917)
Other costs, net	(3,000)	(562)	(241)	(78)	1,522	(2,359)
Operating costs	(5,248)	(2,079)	(274)	(222)	1,547	(6,276)
Gross operating profit	1,539	448	98	31	(2)	2,114
Amortisation and depreciation	(1,019)	(87)	(32)	(16)		(1,153)
Impairment losses and accruals	(269)	(15)	(8)	(10)		(302)
Operating profit	251	346	58	5	(1)	659
Net financial income (expense)	(79)	(43)	(4)	17	(1)	(111)
Income taxes	(79)	(174)	(22)	31	(2)	(245)
Segment profit (loss) (attributable to the owners of the parent and non-controlling interests)	92	129	30	54	(3)	303

millions of Euros

31.12.2014	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Net invested capital	8,869	32,898	1,978	155	(185)	43,715

"The manager in charge of financial reporting, Roberto Mannozi, represents, pursuant to article 154-bis.2 of the Consolidated finance act, that the accounting figures set out in this document are consistent with the documents, books and accounting records".