

SEVENTEEN BILLION FOR THE "IRON THERAPY"

- **Unveiled this morning at the Ministry of Infrastructure and Transport's headquarter, the 2015 update of the *Contratto di Programma* between the MIT and *Rete Ferroviaria Italiana***

Roma, February 11, 2016

A new investment strategy on the Italian rail network which means more safety, more technology, timely and efficient transports, quality and comfort for travelers, especially commuters.

This is the link between the several measures contained in the 2015 update of the *Contratto di Programma* between the Ministry of Infrastructure and Transport (MIT) and Rete Ferroviaria Italiana, unveiled this morning by the Minister of Infrastructure and Transport Mr. Graziano Delrio, jointly to Mr. Renato Mazzoncini, CEO of *Ferrovie dello Stato Italiane* and Mr. Maurizio Gentile, CEO of *Rete Ferroviaria Italiana*.

Nine billion euros of additional resources, within the *Leggi di Stabilità 2015* and 2016 and *Sblocca Italia* decree, which add up to another 8 billion expected in the next update 2016, for a total of 17 billion euros.

The targets: Safety, Europe, Goods, LPT

Mr. Delrio opened the meeting by introducing areas of intervention and main targets: firstly, the improvement of safety standards and technologies for rail transport, to give a significant development to the transportation experience of millions of passengers and to secure networks located in areas exposed to high hydrogeological risk.

The Minister stated the importance for our country of the four network corridors passing through Italy and, therefore, the strong commitment to confirm our role as a key hub, looking for development of the single European railway area planned by the "Fourth railway package".

Then, he pointed out the goals to be achieved in the area of goods, i.e. an overall boost of the offer, with an improvement of intermodality to intercept traffic from ports and freight terminals, and a strengthening of the LPT, where the combination between trains and bus may become the answer to the growing demand of Italian mobility, with specific interventions on the Southern Railway network, also possible thanks to "Pon Infrastructure and Networks 2014-2020", which currently has the most critical issues.

Finally, the new technologies that RFI is installing in the urban junctions will lead to greater regularity and frequency of regional and metropolitan trains, with an advantage for the overall mobility system of the large urban junctions.

FS is the first group for investments in Italy

Mr. Renato Mazzoncini, CEO of *Ferrovie dello Stato Italiane*, highlighted the strategic role of the Group in rethinking the transport offer, both for travelers and goods, supported by strong actions of government and MIT.

With 74 billion euros, FS is the industrial group that started the larger number of investments in Italy: 45 billion are dedicated to the “Great Works” also related to the European corridors; 17 billion are related to the development of the national network, made by 16 thousand kilometers with 9 thousand trains a day; 8 billion for security and maintenance of the network; 4 billion for technological innovation.

FS Group should look not only to Italy, but to Europe as the natural evolution of its business: that’s why there is a strong commitment to drive the implementation works of the European corridors forward, such as those between Treviglio and Brescia and those towards Verona, planned for the next year.

In addition, the approval of the “Fourth railway package” will create conditions to increase the traffic to other countries and especially to compete in foreign routes such as Paris-Brussels.

FS Group is ready to do its part to meet the European transport policy, which aims to move 30% of goods from road to rail, regarding the distances over 300 kilometres. In the current scenario the 96% of transport is oil-dependent.

The commitment for large cities

The biggest and most urgent challenge for FS Group is represented by urban junctions: after connecting large cities with fast, frequent and efficient connections, it’s time to take a big step forward to change the transportation experience of Italian commuters.

New technologies, made possible by new investments, will lead to improve the regularity of the trains, with the aim to reach similar spacing to those between metropolitan trains. Then, new stops and stations will give concrete answers to people who want to leave the car at home but cannot yet do so.

The key will be the intermodality, thanks to the efforts of companies like Trenitalia and Busitalia: FS wants to play a primary role in redesigning the cities which are, and will be, one of the main growth engines of the country. Just for this reason, Mr. Delrio said that "there are lines on which the Ministry and FS are ready to play a role." The reference is to Rome-Ostia Lido railway line, whereby - announced the Minister - in the coming days there will be "a table with all actors involved, in agreement with the President of the Region Mr. Nicola Zingaretti, for a change of pace."

A single center for goods

The aim, in the goods transport, is to create a single and efficient interlocutor for customers. Today, within FS Group, there are ten subsidiaries engaged in this sector,

including traction and logistics, invoicing about one billion euros per year: a greater industrial synergy could only bring benefits.

That's why, in the second half of 2016, we will move towards a single company, controlled by the holding, which will play a leading role in this area.

To do so, the interventions on network are fundamental, to better connect ports and freight terminals and to support intermodality between rail, road and ship, by offering competitive and convenient services to companies.

Financial statement and IPO

Answering journalists' questions, Mr. Mazzoncini said he was pleased with the trend of 2015 financial statement: "So far - he said - our budget shows satisfying results."

It remains a priority to reach "an updated business plan, expected after the summer. The IPO is postponed to 2017 for sure."

For Maurizio Gentile, CEO of RFI, the infrastructure investment decisions are aimed to develop, for a total of 5.4 billion, the four TEN-T corridors crossing Italy (Scandinavian-Mediterranean, Baltic-Adriatic, Rhine-Alpine and the Mediterranean) and the related sections of rail access, and to strengthen the "core" terminal facilities of rail infrastructures for the revitalization of intermodal goods transport.

In addition, in full synergy with the Ministry, 3.5 billion will be provided for urban junctions and LPT, as well as for doubling expected on some routes (Andora - Finale Ligure, Pistoia - Montecatini - Lucca), planning connections with airports, speeding up the routes of the conventional line, intervening in 400 stations for raising sidewalks and architectural barriers and improving facilities for public information in 600 airports.

Thanks to this "iron therapy", RFI investment curve passes from 2.8 billion in 2014 to 3.5 in 2015 and 4 (expected) in 2016, up to the target of 5.3 billion in 2020, with important consequences on the general economy, thanks to the execution of new works and creation of new jobs.