



TRENITALIA ANNOUNCE ACQUISITION OF ENGLISH RAILWAY COMPANY NXET

- **It will operate the C2C (City to Coast) Franchise between East London and South Essex.**

Rome, 11th January 2017

Trenitalia enters the British railway market through its English London-based subsidiary Trenitalia UK.

Trenitalia UK has reached an agreement with National Express Group PLC for the acquisition by Trenitalia of 100% shares of NXET (National Express Essex Thameside), for about £70 million, which operates services between Fenchurch Street (East London) and Shoeburyness (South Essex).

Completion of the acquisition is conditional upon formal consent from the British Department for Transport (DfT) whose process is already underway. In 2014 the DfT did award the franchise with maturity 2029 to NXET by public tender.

The NXET acquisition – with a roughly euro 200 million turnover, 600 employees and a 74 Bombardier fleet – means a further achievement for the FS Group internationalisation strategy, one of the pillars of the 2017-2026 Industrial Plan.

The high-quality services and operations run by NXET – 400 rides for over 42 million passengers/year who use the 26 stations served by the line (London – Shoeburyness) – confirmed by the top place in the British franchises' punctuality rank, make an excellent fit with Trenitalia's customer-centric approach.

In addition to delivering the existing plans for the franchise, Trenitalia has also committed to invest for further improvements for all C2C's customers based on innovative technologies at the heart of its strategy for the franchise globally.

The recent set up of Trenitalia UK, an English law company, is the confirmation of Trenitalia's commitment to expand in the UK rail passenger market which has a significant potential. The first step of this process have been made in December 2015, when Trenitalia became the first new entrant to be awarded a "PQQ Passport" by the Department for Transport and since then is pursuing a number of franchise opportunities including beyond today's deal.

Barbara Morgante, CEO of Trenitalia, said: *"We are extremely delighted to have this exciting opportunity to begin our experience in UK starting from the consistently best performing railway of C2C and serving the people of East London and South Essex. We will work closely with customers and local stakeholders to apply our vision and deliver improvements that will be visible and valuable; we are confident that British customers will benefit from our skill and capabilities developed in the highly competitive Italian market."*

We are also closely monitoring the Railways Franchising Programme as we intend to participate in tenders issued by the DfT to strengthen our presence in UK.”

Dean Finch, CEO of National Express Group, said: *“National Express has been immensely proud of Chelsea’s transformation on our watch. From converting what was known as the Misery Line into the UK’s consistently best performing franchise, we have also recently pioneered customer service standards with automatic delay compensation and flexi-season tickets, for example. While this has, therefore, not been an easy decision, the board believes the transfer of Chelsea to T presents opportunities for all concerned.*

We have been impressed by the commitment and interest shown by Trenitalia and are grateful for the support and professionalism shown by DfT in this process. Trenitalia has significant rail credentials and is excited by the opportunity to invest in the new agenda set out by the Secretary of State.”

FS Italiane Group

FS Italiane Group is a major industrial player with an increasing international presence and growing profit (the net income rose +53.1% in 2015 over 2014). FS Group runs 8,000 trains a day, serving 600 million passengers and carrying 50 million tons of freight a year, over a network exceeding 16,000 kilometers. The Group’s objective is to develop a large-scale mobility and logistics project capable of contributing to the Country’s economic growth. The holding company, FS Italiane, controls companies active in specific core businesses – all of which, in terms of safety levels and technological standards, are European leaders. Trenitalia, the Group’s rail transportation company, is one of Europe’s top railway operators, and manages passenger transport with its long haul connections, both on High speed and conventional lines, as well regional and metropolitan services. Rete Ferroviaria Italiana is the national infrastructure manager ensuring the various railway companies access to the railway network, providing maintenance and safe circulation throughout the infrastructure, making investments to strengthen and develop the railway lines, stations and relevant technological systems. Other companies belonging to the FS Italiane Group include Busitalia, Italferr, Ferservizi, Italcertifer, Centostazioni, GS Rail, FS Sistemi Urbani, Netinera Deutschland, TX Logistik and Thello.

National Express Group

National Express Group is a leading public transport operator with bus, coach and rail services in the UK, Continental Europe, North Africa, North America and the Middle East. The Group has a fleet of over 27,000 vehicles and more than 867 million journeys are made on National Express Services each year. National Express Group is quoted on the London Stock Exchange (NEX.L), and is a constituent of the FTSE 250 with 2015 underlying revenue of £1.9 billion.