

FS ITALIANE, 2016 RESULTS: NET PROFIT IS A RECORD 772 MILLION EUROS, UP 66.4%

- **Dividend to the shareholder of 300 million Euros**
- **EBITDA at 2.29 billion Euros (+16.1%)**
- **Operating revenues at 8.93 billion Euros (+4%)**
- **EBIT at 892 million Euros (+38.5%)**
- **Direct economic value distributed at 6.83 billion Euros**
- **FS first industrial group in Italy for investments (5.95 billion Euros)**
- **FS, a top-rated employer of choice, continues its policy of taking on young talent**
- **Trenitalia added to its High Speed services fleet 23 new *Frecciarossa* 1000 trains, as well as 23 *Jazz*, 6 *Swing* and 3 Flirt new trains and 133 Vivalto new carriages to its regional fleet**

Rome, 21st April 2017

The Group's net profit is 772 million Euros (up 66.4%) and EBITDA is 2,293 million Euros (up 16.1%) in the year to 31st December 2016. These results are in line with the Group's established targets.

The Board of Directors of Ferrovie dello Stato Italiane, chaired by Gioia Ghezzi, approved today the Company's Annual Financial Report, including the consolidated financial statements of the Group as of 31st December 2016. A dividend of 300 million Euros shall be distributed to the shareholder (Ministry of Economy and Finance).

The Group's operating revenues rose to 8,928 million Euros, an overall increase of 343 million Euros (+4%), which was partly the result of actions taken in 2016 to extract value from its assets, in line with what was set out in the 2017-2026 Industrial Plan. These included the sale of part of the non-core retail activities through the sale of Grandi Stazioni Retail.

Revenues from transport services reached 6,385 million Euros (with overall growth in industrial margins – broken down into Short Haul and Long Haul segments – of 29 million Euros from 2015). Operating costs are roughly at 2015 levels (up 0.4%).

In 2016 the routes covered by the *Frecciarossa* 1000 trains have increased thanks to the delivery of a further 23 new trains (for a total of 41 by end of 2016), in addition to the ETR 500 trains. The increase has resulted in further connections on the Rome - Milan route (94 *Frecciarossa* between the two main cities of the Country), routes to Venice, and the launch of the Milan - Taranto *Frecciarossa*.

At the end of 2016, the High Speed/High Capacity Treviglio - Brescia line connecting Brescia to Milan in 36 minutes has been inaugurated. The High Speed railway is also



connected to Siena, Perugia, L'Aquila, Matera and Potenza thanks to the new integrated *Freccia*+bus service *FrecciaLink*, allowing the closest High Speed stations to be reached.

The regional transport fleet has been reinforced with the arrival of 23 *Jazz*, 6 *Swing*, 3 Flirt new trains and 133 Vivalto new carriages, representing an investment of 455 million Euros. In January 2017, customer satisfaction on regional trains reached 81.2%, with growth in all indicators (punctuality, information, cleaning, comfort, safety) compared with the same period 12 months earlier and has stayed at these levels in the subsequent months. At December 2016, the customer satisfaction increase was 3.5% on the previous year.

Direct economic value distributed, that is mainly the sum of operating costs and employee wages and benefits, amounts to 6,837 million Euros (76% of the direct economic value generated) and is an important driver in the economic development of the Country.

Total employees have increased from 69,002 to 70,180, as a consequence of both new hires and company acquisitions, including 1,200 staff from Ferrovie Sud Est.

The Group's transport segment has registered an overall profit of 164 million Euros. The leading company is Trenitalia, followed by Busitalia and the newly-formed Mercitalia, the road and freight transport businesses respectively, and Netinera Deutschland which operates in Germany.

The performance of the infrastructure segment was also excellent (net result of 174 million Euros) with the leadership of Rete Ferroviaria Italiana (RFI) followed by Italferr in engineering. Of particular note is the increase in revenues from sales and services (up by around 5%) linked to the increase in demand for track access made to RFI by rail companies (train kilometres covered were up 2.7%, with an increase of 12.8% in the High Speed/High Capacity network) and an increase in the average revenue per unit (a different mix of track access sold).

FS Group's EBITDA has grown significantly to 2,293 million Euros (up 318 million Euros) with EBITDA Margin of 25.7%. EBIT rose from 644 million Euros in 2015 to 892 million Euros in 2016, with a 248 million Euro increase (up 38.5%) and EBIT Margin of 10%. Increasing depreciation, in line with expectations at 78 million Euros, has weighed on EBIT. The increase in depreciation is strictly linked to the growth in investments to nearly 6 billion Euros in 2016.

FS Italiane Group remains the top industrial group in terms of investments in Italy (5,950 million Euros, up by 8.2% on the already sizeable amount invested in 2015, 5,497 billion Euros). They are in line with the challenging goals set in the 2017-2026 Industrial Plan and start taking advantage of new business opportunities presented by the domestic and international market.

The Group maintains a high level of financial strength, with an equity that at the end of 2016 was nearly 38,497 million Euros (up 1.4% on 2015).



The Group's Net Financial Position (NFP) stands at 6,760 million Euros, almost unchanged from the end of 2015, when it was 6,742 million Euros, despite a period of significant un-contributed investments (around 1,649 million Euros).

Keeping the NFP stable and under control has been possible thanks to the earmarking of the Group's resource generation for carrying out its investment program and repayment of past debts.

The FS Italiane Group is a leader amongst major European rail companies by profitability with an EBITDA Margin (25.7%) and EBIT Margin (10%) which are better both than France's SNCF (EBITDA Margin of 12.8%, and EBIT Margin at 6.6%) and also Germany's Deutsche Bahn (EBITDA Margin of 10.3%, and EBIT Margin of 3.4%).

The 2016 results are consistent with the 2017-2026 Industrial Plan and with our new vision for the business, aimed at making the FS Italiane Group one of the leaders in integrated mobility at an international level. All the 2016 achievements go in the direction of further improvements in company performance, in terms of financial results, rail transport safety and customer satisfaction.

These FS goals aim to support the positive trends at a national level.

A summary document of the FS Italiane Group results in the fiscal year is available at the webpage <http://www.fsitaliane.it/fsi-en/Investor-Relations/Financial-Statements>.

The Manager in charge of the Company's accounting documents preparation, Roberto MannoZZi, declares, pursuant to article 154-bis, paragraph 2, of the Legislative Decree No. 58/1998, that the accounting information included in this press release correspond to the Company's evidence and accounting books and records.