



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

**SUMMARY OF THE MAIN RESULTS AND TREND
OF THE 1ST HALF-YEAR 2015 OF FERROVIE
DELLO STATO ITALIANE GROUP**

2015 INTERIM REPORT HIGHLIGHTS

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

2015 INTERIM REPORT HIGHLIGHTS

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Consolidated highlights

millions of Euros

Main results and financial data	First half of 2015	First half of 2014	Change	%
Revenue	4,193	4,162	31	0.7
Operating costs	(3,245)	(3,135)	(110)	(3.5)
Gross operating profit (EBITDA)	948	1,027	(79)	(7.7)
Operating profit (EBIT)	333	438	(105)	(24.0)
Profit for the period	292	285	7	2.5
	30.06.2015	31.12.2014	Change	%
Net invested capital (NIC)	45,802	43,715	2,087	4.8
Equity (E)	37,836	37,497	339	0.9
Net financial debt (NFD)	7,966	6,218	1,748	28.1
NFD/E	0.21	0.17	0.04	27.0
Investments of the period/year	2,088	1,533	555	36.2
Cash flows used in operations	(735)	(131)	(604)	>200

Main performance indicators	First half of 2015	First half of 2014
Gross operating profit margin	22.61%	24.68%
Operating profit margin	7.94%	10.52%
PERSONNEL EXPENSE/ OPERATING REVENUE	(46.90)%	(47.06)%

The Group's performance

Main operating data	First half of 2015	First half of 2014	Change	%
Length of the railway network (km)	16,723	16,755	(32)	(0.2)
Long-haul passengers train-km (thousands)	39,378	39,231	147	0.4
Regional passengers train-km (thousands)	100,064	94,579	5,485	5.8
Rail passenger-km (millions)	21,521	21,288	233	1.1
Road passenger-km (millions)	1,061	937	124	13.2
Tonne-km (millions) ⁽¹⁾	11,684	11,975	(291)	(2.4)
Employees ⁽²⁾	69,347	69,631	(284)	(0.4)

(1) This figure includes traffic outsourced and other companies in the Group's Cargo Division

(2) Year-end total

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

	First half of 2015	First half of 2014	Change	%
	millions of Euros			
OPERATING REVENUE	4,193	4,162	31	0.7
Revenue from sales and services	3,891	3,841	50	1.3
Other income	302	321	(19)	(5.9)
OPERATING COSTS	(3,245)	(3,135)	(110)	(3.5)
GROSS OPERATING PROFIT (EBITDA)	948	1,027	(79)	(7.7)
Amortisation, depreciation, provisions and impairment losses	(615)	(589)	(26)	(4.4)
OPERATING PROFIT (EBIT)	333	438	(105)	(24.0)
Net financial expense	(22)	(98)	76	77.6
PRE-TAX PROFIT	311	340	(29)	(8.5)
Income taxes	(19)	(55)	36	65.5
PROFIT FROM CONTINUING OPERATIONS	292	285	7	2.5
Profit (loss) from assets held for sale, net of taxes				
PROFIT FOR THE PERIOD	292	285	7	2.5
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	289	282	7	2.5
PROFIT FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	3	3		

The significant changes in legislation that characterised 2014 also impacted the Group's performance of operations for the first half of 2015. However, the **profit for the period** came to €292 million, up by €7 million (+2.5%) on the same period of the previous year.

Conversely, the negative impacts of the above changes in legislation on the Group's performance of operations led to a

decrease in both **operating profit (EBIT)** and **gross operating profit (EBITDA)** which are down by €105 million (-24.0%) and €79 million (-7.7%) respectively. Specifically, with respect to gross operating profit (EBITDA), the total impact of the external negative effects of the above changes in legislation amounts to approximately €89 million, partly offset by the positive performance of ordinary operations. The impacts are described below:

- the increase in the net cost of energy following Law decree no. 91/2014 which substantially entailed a significant reduction in the tariff subsidies previously granted to railway companies (+€36 million);
- the decrease in net 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's ("ART") (-€17 million);
- the elimination of revenue from the Cargo Service Contract following the Stability Act dated 23 December 2014, reducing net margins by €36 million.

Gross operating profit (EBITDA) amounts to €948 million due to the combined effect of the increase in **revenue** (€31 million), absorbed by the more than proportional rise in **operating costs** (€110 million). The increase is closely related to the changes in legislation introduced in 2014.

Revenue increased by €31 million as a result of the combined effect of the rise in **revenue from sales and services** (+50 million), offset by the decrease in **other income** (-€19 million).

The increase (+1.3%) in **revenue from sales and services** is due to the **revenue from transport services** which grew 2.0% or €63 million, and the rise in **revenue from infrastructure services** (+€6 million or 1.0%). Conversely, the other residual items comprising revenue from sales and services are down by €19 million (-14.3%).

With respect to the main factors behind the increase in **revenue from transport services**, which comprise **market revenue** (passengers and cargo +€72 million) and **revenue from the public service contract** (with the regions and the government -€9 million), the positive contribution (€75 million) of the German Group Netinera was partly absorbed by the €27 million decrease recorded by Trenitalia S.p.A. mainly as a consequence of the economic effects of the above changes in legislation as described later on. The positive results were also affected by the first consolidation of Busitalia Veneto S.p.A. (€18 million) in 2015.

Market revenue from passenger traffic products rose €74 million on the first half of 2014 thanks to the different results of the various operating segments. Specifically:

- revenue in the **long-haul transport** sector recorded a net increase totalling €20 million, mostly boosted by greater revenue from the "Freccia" and Other ES trains (approximately €29 million), partly offset by negative effects, such as the decrease in revenue from services with few passengers (-€11 million). The positive performance of the "Freccia" trains is even more significant considering the launch of some trains at Rome Termini and Milan Centrale by the HS competitor;
- revenue from the **regional transport** sector grew considerably (+€37 million in total) both abroad, where the Netinera Group operates (€26 million), and in Italy, up by €11 million. The increase in Italy is mainly due to the revision of the

tariffs by the regions to offset, although partially in certain cases, the decrease in revenue from the public service contracts in place with the regions;

- revenue from the **road passenger** segment rose by €17 million in the first half of 2015.

Market revenue from **cargo traffic** slightly decreased by €2 million. However, the reduction is due to contrasting trends in revenue on the domestic market, with an increase of approximately €2 million thanks to the sound performance of the Traditional business, while revenue from the combined transport and inter-modal logistics businesses and from the international service decreased by a total of approximately €4 million. At the same time, Trenitalia S.p.A.'s Cargo Division revenue rose 5.0% on the first half of 2014.

Revenue from public service contracts decreased by €9 million as a consequence of the net effect of the significant decrease (€126 million) in public service contract fees and the increase (€117 million) in fees from the regions. The reduction in public service contract fees (€126 million) is mainly due to the reorganisation of contract services which led, on the one hand - following the change in legislation in 2014 - to the termination of the cargo transport service contract (-€53 million) and, on the other hand, the shifting of revenue from the fees from the government to the regions (-€56 million). The increase in revenue from services to regions is due to the above reorganisation of revenue and the rise in the fees from the Netinera Group (€51 million) and the Busitalia Group for road transport (approximately €2 million).

With respect to the domestic market exclusively, where Trenitalia S.p.A., Ferrovie dello Stato Italiane Group's main transport company, operates, revenue from public service contracts decreased by a total of approximately €62 million (-6.2%) on the previous year (regions +€64 million and government -€126 million). Revenue from the long-haul transport is unchanged, while, as mentioned earlier, revenue from the cargo transport service contract in the first half of the year decreased (-€53 million).

The €6 million increase in **revenue from infrastructure services** on the same period of 2014 includes the rise in revenue from the sale of electrical energy for traction (+€6 million) related to the increase in the relevant costs. Revenue from the Government Programme Contract, from the ferry service and toll service is substantially in line with the previous year.

Other revenue included in **revenue from sales and services** amounts to €114 million and is down by a total of €19 million (-14%). The decrease is due to the reduction in other service revenue (-€15 million), mainly attributable to the fewer services provided to railway companies, specifically Trenord S.r.l., in respect of rolling stock lease and maintenance, and the decrease in revenue for contract work in progress (-€8 million) which was only partially offset by the increase in inventories and work on property held for trading (a total of €4 million).

Other income of €302 million is down by €19 million on 2014 (-5.9%) mainly as a consequence of the smaller gains on the sale of property and rolling stock no longer used compared to the previous period.

Operating costs amount to €3,245 million, up by €110 million (3.5%) on 2014 (€3,135 million). The increase is mainly due

to the rise in the costs for raw materials, supplies and consumables (€89 million, of which €44 million refers to electrical energy, mainly as a consequence of Law Decree no. 91/2014), services (€53 million, of which €35 million refers to tolls almost entirely on the German market), personnel expense (€7 million), partly offset by the increase in internal work capitalised (+€37 million), and the reduction in other operating costs (€5 million).

The **operating profit** (EBIT) amounts to €333 million. The €105 million (-24.0%) decrease on the previous period is due to that set out in respect of revenue and operating costs as well as greater amortisation/depreciation (€34 million) and greater impairment losses (€5 million), offset by smaller provisions (€13 million).

Net financial expense of €22 million improved by €76 million (+77.6%) on the first half of 2014. The change is mainly due to the €71 million increase in financial income, which is mainly comprised of the positive effect of 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.

Income taxes amount to €19 million. The €36 million (65.5%) decrease is mainly attributable to the provisions of Law no. 190/2014 (The 2015 Stability Act) which allowed the deductibility of personnel expense relating to employees hired under open-ended contracts, in excess of the previously allowed deductions.

Reclassified statement of financial position

	millions of Euros		
	30.06.2015	31.12.2014	Change
ASSETS			
Net operating working capital	1,443	844	599
Net other assets	252	(909)	1,161
Working capital	1,695	(65)	1,760
Net non-current assets	46,987	46,785	202
Other provisions	(2,883)	(3,008)	125
Net assets held for sale	3	3	
NET INVESTED CAPITAL	45,802	43,715	2,087
COVERAGE			
Net current financial debt	2,179	(181)	2,360
Net non-current financial debt	5,787	6,399	(612)
Net financial debt	7,966	6,218	1,748
Equity	37,836	37,497	339
COVERAGE	45,802	43,715	2,087

Net invested capital of €45,802 million rose by €2,087 million in the first half of the year due to the increase in **working capital** (+€1,760 million), the increase in **net non-current assets** (+€202 million) and the decrease in **other provisions** (+€125 million).

Net operating working capital amounts to €1,443 million, up by €599 million mainly as a result of:

- greater receivables arising from the public service contract with the Ministry of the Economy and Finance (+€80 million) and the regions (+€281 million) due to longer collection times for considerations;
- greater current receivables (+€155 million) from ordinary customers, government administrations and other trade receivables;
- greater inventories (+€74 million) mainly due to the increase in raw materials, consumables and supplies (€67 million) following purchases of materials and production by the Officine Nazionali Armamento e Apparecchiature Elettriche (national armaments and electrical device workshops) in Pontassieve and Bologna, the increase in land and buildings held for trading (+€10 million) and the decrease in receivables arising from construction contracts (-€4 million);
- lower trade payables (+€6 million), particularly to ordinary supplies for investments;

Net other assets increased by €1,161 million, mainly as a result of the combination of the following factors:

- greater receivables from the Ministry of the Economy and Finance, the Ministry of Infrastructures and Transport and other bodies, particularly for grants related to assets to be used for infrastructural investments (+€986 million);
- net increase in other receivables and payables (+€99 million);
- increase in the net VAT balance (+€395 million), mainly due to the VAT asset for the first half of 2015 and interest accrued on prior VAT assets in the same period;
- increase in advances on grants related to assets (-€321 million);
- increase in deferred tax assets (+€2 million).

Net non-current assets increased by €202 million following the €2,023 million increase in investments in the period, partly offset by the decrease in grants related to assets of €1,134 million, amortisation/depreciation and impairment losses of €597 million, the increase in sales and reclassifications of €33 million and, finally, the €123 million decrease in equity investments, essentially following the recalculation of the carrying amount of Eurofima.

Other provisions decreased by €125 million, due, in particular, to the utilisation of provisions in the period. The utilisations mainly relate to post-employment benefits (€99 million) and other provisions (€26 million).

The **net financial debt** of €7,966 million increased by €1,748 million on 31 December 2014, mainly due to the following:

- reduction in the cash pooling balance (+€704 million) that comprises the payments made by the Ministry of the Economy and Finance during the period 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;
- decrease in the financial receivable from the Ministry of the Economy and Finance following the collection of the annual portion of the fifteen-year grants (+€230 million), offset by lower liabilities (-€92 million) with the Cassa Depositi e Prestiti (Savings and Loans Bank);
- decrease in bank and postal accounts and other cash and cash equivalents (+€34 million);
- increase in loans and borrowings from banks and other financial backers (+€1,084 million);
- decrease in bonds (-€211 million).

Equity rose from €37,497 million to €37,836 million, mainly due to the increase in the profit for the period (+€292 million), the increase in the reserve for unrealised gains and losses (+€61 million following the fair value measurement of derivatives, +€76 million due to actuarial gains) and in equity attributable to non-controlling interests (+€5 million), offset by the decrease in liabilities for derivatives (-€49 million), the reduction in other reserves (-€40 million) and the payment of the first instalment (€40 million) to the shareholder made by the company on 9 January 2015, pursuant to article 10.12 of Law no. 11 of 27 February 2015, and the dividends paid (-€8 million).

Segment reporting by business segment

The financial highlights of the Group's operating segments for the first half of 2015 and 2014 are shown below:

	millions of Euros					
First half of 2015	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Revenue from third parties	3,277	671	100	10		4,058
Inter-segment revenue	134	560	82	119	(760)	135
Revenue	3,411	1,231	182	129	(760)	4,193
Personnel expense	(1,140)	(752)	(17)	(70)	13	(1,966)
Other costs, net	(1,533)	(332)	(122)	(39)	747	(1,279)
Operating costs	(2,673)	(1,084)	(139)	(109)	760	(3,245)
Gross operating profit	738	147	43	20		948
Amortisation and depreciation	(528)	(45)	(15)	(9)	(1)	(598)
Impairment losses and accruals	(13)	(3)	(2)		1	(17)
Operating profit	197	99	26	11		333
Net financial income and expense	(90)	(17)	(2)	87		(22)
Income taxes	(20)	(2)	(12)	15		(19)
Segment profit (attributable to the owners of the parent and non-controlling interests)	87	80	12	113		292

	millions of Euros					
30 June 2015	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Net invested capital	9,359	34,078	1,989	541	(165)	45,802

millions of Euros

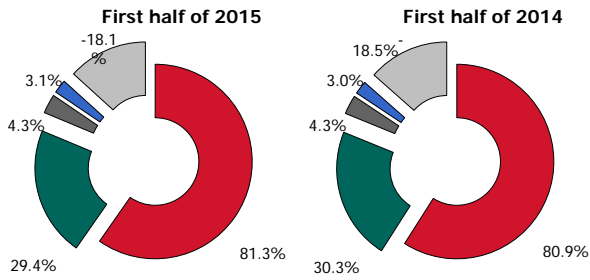
First half of 2014	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Revenue from third parties	3,221	689	99	9		4,018
Inter-segment revenue	146	571	81	118	(772)	144
Revenue	3,367	1,260	180	127	(772)	4,162
Personnel expense	(1,121)	(757)	(17)	(74)	10	(1,959)
Other costs, net	(1,502)	(282)	(116)	(37)	761	(1,176)
Operating costs	(2,623)	(1,039)	(133)	(111)	771	(3,135)
Gross operating profit (EBITDA)	744	221	47	16	(1)	1,027
Amortisation and depreciation	(499)	(43)	(15)	(8)	1	(564)
Impairment losses and accruals	(14)	(3)	(5)	(4)		(25)
Operating profit (EBIT)	231	175	27	5		438
Net financial income and expense	(80)	(27)	(2)	12		(97)
Income taxes	(44)	(13)	(11)	13		(55)
Segment profit (attributable to the owners of the parent and non-controlling interests)	107	135	13	29		285

millions of Euros

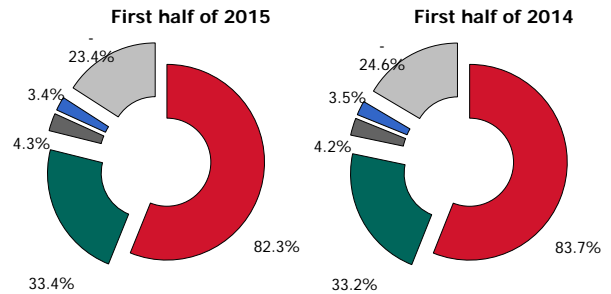
31 December 2014	Transport	Infrastructure	Real Estate Services	Other Services	Adjustments and eliminations of operating segments	Ferrovie dello Stato Italiane Group
Net invested capital	8,867	32,897	1,977	155	(181)	43,714

The Group's performance is analysed below with reference to each of the operating segments that make up the FS Group business (Transport, Infrastructure, Real Estate Services and Other Services), gross of intragroup eliminations.

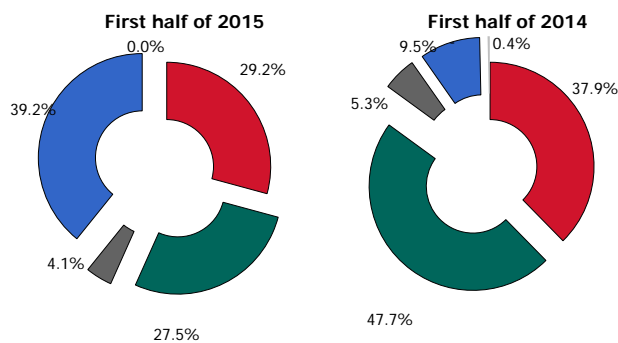
OPERATING Revenue



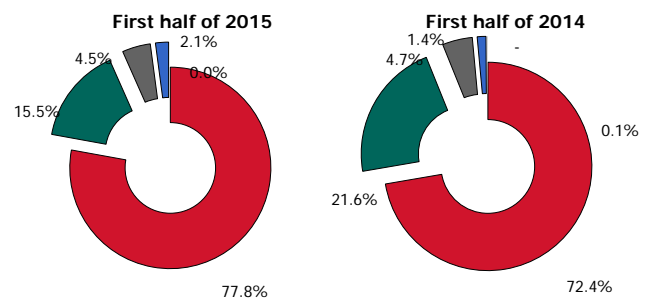
Operating costs



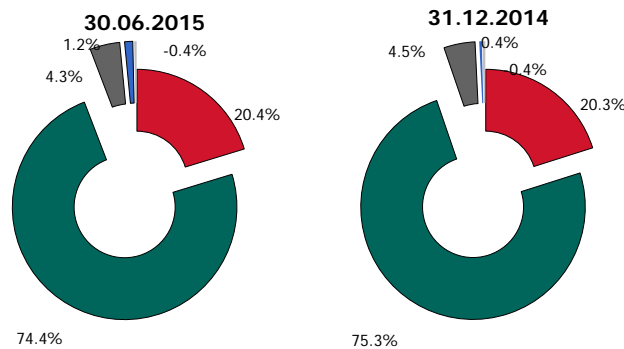
Profit for the period



Gross operating profit



Net invested capital



■ 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 by rail, road or sea are part of the **Transport** segment - the Group's core segment. Trenitalia is, by far, the most important company in this segment, in which the Netinera 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, 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 (including Cemat S.p.A. which handles combined domestic and international transport, and SGT S.p.A., operating in the intermodal transport sector) and the TX Logistik Group internationally (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., Umbria Mobilità Esercizio S.r.l. and, since 2015, by Busitalia Veneto S.p.A. as well. Finally, the Transport segment also includes companies like Serfer S.r.l., which provides operating and engineering services to railway companies and Blufferries S.r.l. which transports people, vehicles and goods by sea.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	3,268	3,215	53	1.6
Other income	143	152	(9)	(5.9)
Revenue	3,411	3,367	44	1.3
Operating costs	(2,673)	(2,623)	(50)	(1.9)
Gross operating profit	738	744	(6)	(0.8)
OPERATING PROFIT	197	231	(34)	(14.7)
Segment profit (attributable to the owners of the parent and non-controlling interests)	87	107	(20)	(18.7)

	30.06.2015	31.12.2014	Change	%
Net invested capital	9,359	8,867	492	5.5

The Transport segment showed a **profit for the period** of €87 million, down by €20 million and therefore presenting a decrease of 18.7% on the same period of the previous year. The decrease is mainly due to changes in legislation, mostly pertaining to Trenitalia S.p.A., as already discussed in the section on the economic performance of the FS Italiane Group as a whole.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	3,268	3,215	53	1.6
Revenue from transport services	3,163	3,099	64	2.1
Market revenue	2,031	1,958	73	3.7
Revenue from public service contracts	1,132	1,141	(9)	(0.8)
Other service revenue	105	116	(11)	(9.5)
Other income	143	152	(9)	(5.9)
Revenue	3,411	3,367	44	1.3

Revenue generated in the Transport segment amounts to €3,411 million, up by €44 million on 2014 (+1.3%), substantially due to revenue from sales and services (+€53 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 €3,099 million to €3,163 million. This €64 million increase (+2.1%) applies inconsistently to the various operating segments of the group companies active in this segment. The main factors that affected the changes in market revenue are listed below:

- total revenue from long-haul passenger transport services increased by approximately a net €20 million, with the “Freccia” and other ES trains clearly accounting for the most revenue, showing growth of €29 million. This performance, which shows a 4% increase in traffic volumes, is even more significant considering the launch of some trains at Rome Termini and Milan Centrale by the HS competitor. Furthermore, the Frecciarossa 1000 train, Trenitalia’s new HS train was launched during the period. The new train will initially operate eight times a day on the Rome-Milan route, with four extensions to Turin and four stops at Fiera Expo Milano 2015. The offer grew in September, with the new train used another six times, and will continue to grow in December, reaching 22 connections a day;
Long-haul transport revenue under the “universal service” agreement decreased by approximately €11 million on 2014. Trenitalia S.p.A. has confirmed its overall offer, although with small amendments, in order to meet the requests of the customer, the Ministry of Infrastructure and Transport. However, the performance of Night trains is in line with that for the same period of the previous year, thanks to the increase in passenger-km (+3.0%), while the decrease in revenue (-6.6%) from Day train and in volumes (-9.0%) is partly due to the competition of HS trains and airplanes which adopted an extremely aggressive pricing policy on Day trains’ routes. Internationally, revenue generated by Thello SAS increased by €5 million.
- regional transport revenue increased by €37 million, €26 million of which due to the sound performance of the German Netinera group companies, mainly due to new contracts signed with the German regions (*lander*), and €11 million due to Trenitalia S.p.A. regional passenger division. As mentioned earlier, the latter increase is mainly the result of the tariff increase by the regions to offset, although partially in certain cases, the decrease in revenue from the public service contracts. Overall, Trenitalia S.p.A.’s average unit revenue rose 1.7%, compared to a slight decrease (0.2%) in traffic volumes (passenger-km);
- cargo transport revenue decreased by a total of €1 million. 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., Trenitalia Logistic France Sas, TX and Netinera group companies) recorded a decrease in revenue for a total of €19 million. Finally, FS Jit Italia S.r.l. contributed positively to this segment, generating €6 million. This company provides goods transport and logistics services;

- road passenger transport improved by €17 million, mainly benefitting from the inclusion of Busitalia Veneto S.p.A. in the consolidation scope;
- lastly, sea transport saw a €1 million increase in the subsidiary Blufferies S.r.l.'s revenue from considerations.

Revenue from the public service contract with the regions and the government saw a €117 million increase in revenue from the regions, while revenue from the public service contract with the government decreased by €126 million. The growth in revenue from the regions is mainly due to the Netinera group companies (+€51 million) and Trenitalia S.p.A. (+€64 million, of which €56 million related to the transfer of responsibilities from the government to the regions). In this segment, Trenitalia reported a decrease of €126 million in the consideration from the public service contract with the government, mainly due to change in legislation applicable to the cargo service contract, which expired on 31 December 2014 (€53 million) and was not renewed (the 2015 Stability Act) and the shifting of revenue from government to the regions (€56 million) as a consequence of the transfer of resources from the service contract managed by the Ministry of Infrastructure and Transport to the regions (as described in detail in the 2014 annual report). In Italy, as the service contract for special-status regions with the Ministry of Infrastructure and Transport has not been renewed since 2005, services have been provided on the basis of instructions that the Ministry has provided each year. Services are currently limited to the indivisible service category, given the transfer of the economic resources for the services related to Sicily and Sardinia. Consequently, they are covered by direct contracts and are no longer in-scope. In Valle d'Aosta, responsibilities and financial resources are currently being transferred in accordance with Law decree no. 78 of 19 June 2015, implementing urgent measures regarding local bodies. Both the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance stressed this situation several times by sending a large number of documents to confirm the service request from the Ministry of Infrastructure and Transport and their reporting. Talks for the renegotiation of the service contracts that expired at 31 December 2014 were held in the first half of the year and the following agreements/renewals were signed with the following regions/provinces: Lazio, Tuscany, Marche, Umbria, Sicily, Veneto, Trento and Bolzano. The long-haul transport contract expired on 31 December 2014. Pending its renewal, the company is providing the services requested by the relevant Ministry with continuity.

Other service revenue amounts to €105 million, down by €11 million (-9.5%) on 2014, mainly due to the following:

- lower revenue from services to railway companies, particularly in connection with the lease of rolling stock mainly by Trenitalia S.p.A. on Trenord S.r.l.'s behalf (-€7 million);
- lower revenue from rolling stock maintenance (-€3 million);
- greater revenue from the capitalisation of work (+€4 million).

Other income of €143 million decreased by €9 million on 2014 (-5.9%), mainly due to smaller gains.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Personnel expense	1,140	1,121	19	1.7
Other costs, net	1,533	1,502	31	2.1
Raw materials, consumables, supplies and goods	303	276	27	9.8
Services	1,303	1,306	(3)	(0.2)
Use of third-party assets	113	110	3	2.7
Other operating costs	38	39	(1)	(2.6)
Internal work capitalised	(224)	(229)	5	2.2
Operating costs	2,673	2,623	50	1.9

Operating costs in the Transport segment amount to €2,673 million in the first half of 2015, up by €50 million on the first half of 2014 (+1.9%), due to the combined effect of the growth in both personnel expense and other costs, net.

Personnel expense of €1,140 million rose by €19 million (+1.7%), substantially due to the increase recorded by the Netinera Group (+€11 million) and the Busitalia Group (+€15 million), partly offset by the decrease recorded by Trenitalia (-€10 million), mainly due to lower costs than in 2014 related to the payment of higher level duties and the continuous conduct driving trains.

Other costs, net of €1,533 million increased by €31 million (+2.1%), mainly due to the increase in costs for raw materials, consumables, supplies and goods and use of third party assets, partly offset by the decrease in costs for services and the increase in internal work capitalised. The main changes are analysed below:

- raw materials, consumables, supplies and goods saw a €17 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 €9 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, cleaning, services and contracted work (-€4 million), administrative and IT services (+€5 million) and other (-€7 million). Toll costs rose by a total of €5 million, mainly due as a consequence of:
 - greater toll costs attributable to the Netinera Group (€35 million) following the acquisition of new service routes starting from December 2014;
 - lower toll costs attributable to Trenitalia (€30 million), following the decrease in the toll unit cost on HS routes, introduced by resolution no. 70/2014 of the Italian Transport Regulator's ("ART").
- internal work capitalised mainly related to materials, personnel expense and transport costs capitalised for maintenance increasing the value of rolling stock. During the period, it decreased by approximately €5 million.

The **gross operating profit** (EBITDA) in the Transport segment came to €738 million, down by €6 million (-0.8%) on the first half of 2014.

The **operating profit (EBIT)** amounts to €197 million, down by €34 million (-14.7%) on the previous half. This decrease was due to the approximately €30 million increase in amortisation and depreciation and the €11 million growth in impairment losses, along with the €13 million decrease in provisions.

Net financial expense of €90 million worsened by €10 million (+12.5%) on the previous year. The change is due to the €5 million decrease in financial income, in addition to the €2 million increase in financial expense and lower profits from equity-accounted investees (€3 million).

Income taxes for this segment amount to €20 million, down by €24 million (-54.5%).

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.

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 assets that are not functional to railway operations as owner.

To a lesser extent, Italferr, 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 SE (“BBT”), Tunnel Ferroviario del Brennero S.p.A. (“TFB”) and Lyon Turin Ferroviaire Sas (“LTF”), now known as Tunnel Euralpin Lyon Turin Sas (“TELT”). These companies work on the construction of tunnels between Italy and Austria and Italy and France in accordance with intergovernmental agreements.

	millions of Euros			
	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	1,095	1,114	(19)	(1.7)
Other income	136	146	(10)	(6.8)
Revenue	1,231	1,260	(29)	(2.3)
Operating costs	(1,084)	(1,039)	(45)	(4.3)
Gross operating profit	147	221	(74)	(33.5)
OPERATING PROFIT	99	175	(76)	(43.4)
Segment profit (attributable to the owners of the parent and non-controlling interests)	80	135	(55)	(40.7)
	30.06.2015	31.12.2014	Change	%
Net invested capital	34,078	32,897	1,181	3.6

The **Infrastructure** segment showed a **profit for the period** of €80 million, down by €55 million (-40.7%) on the previous year.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	1,095	1,114	(19)	(1.7)
Revenue from infrastructure services	1,074	1,078	(4)	(0.4)
Other service revenue	21	36	(15)	(41.7)
Other income	136	146	(10)	(6.8)
Revenue	1,231	1,260	(29)	(2.3)

Revenue from sales and services consists of revenue from infrastructure services and traffic-related services provided by RFI S.p.A. (€1,083 million) and revenue for engineering services provided by Italferr (€12 million). In particular, **revenue from infrastructure services** fell by €4 million as a consequence of the above-mentioned changes in legislation. 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 period:

- a €29 million decrease in toll revenue, mainly due to the reduction in the toll charge for the HS network (36% reduction in the unit toll from €12.81/km to €8.2/km as of 6 November 2014), approved by Ministerial decree no. 330 of 10 September 2013 and ART resolution no. 70 of 31 October 2014;
- a €25 million increase in revenue from the sale of electrical energy for traction due to the rising trend in the purchase cost, in accordance with the Electricity and Gas Regulator's resolution of December 2013 and Law decree no. 91, converted into Law no. 116 of 11 August 2014, which led to the reorganisation of the electricity tariff system of Ferrovie dello Stato Italiane S.p.A..

Other service revenue of €21 million decreased (-€15 million) due to the combined effect of the decrease in revenue from traffic-related services generated by RFI S.p.A. (-€9 million) and the decrease in Italferr S.p.A.'s revenue from engineering services (-€6 million).

Other income almost entirely relates to RFI and fell from €146 million in the first half of 2014 to €136 million in the first half of 2015 (-€10 million), mainly due to the combined effect of the increase in revenue from property management related to the lease of land, the increase in revenue from the right of passage (for a total of +€3 million) and the decrease in gains (-€13 million). The latter decrease is mainly due to changes arising from the sale of idle and retired material (€3 million) and the 2014 sale of the properties transferred to the Autonomous Province of Bolzano which, in 2014, generated a gain of approximately €9 million.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Personnel expense	752	757	(5)	(0.7)
Other costs, net	332	282	50	17.7
Raw materials, consumables, supplies and goods	221	138	83	60.1
Services	281	267	14	5.2
Use of third-party assets	24	24		
Other operating costs	56	60	(4)	(6.7)
Internal work capitalised	(250)	(207)	(43)	(20.8)
Operating costs	1,084	1,039	45	4.3

Personnel expense showed a slight decrease of €5 million on the first half of 2015, mainly due to the reduction in RFI S.p.A.'s workforce following the rationalisation of the company's organisational structure and its use of the extraordinary benefits under the bilateral fund for income assistance, as well as the hiring of qualified personnel.

Other costs increased by €50 million in the period, from €282 million in 2014 to €332 million in the first half of 2015; this increase was due to the rise in RFI S.p.A.'s costs (+€53 million), partially offset by the decrease recorded by Italferr S.p.A. (-€3 million). RFI S.p.A.'s increase is mainly due to the greater costs for electrical energy and fuel for train traction caused by the above-mentioned change in legislation introduced by Law no. 116/14 (+€44 million), greater consumption of material (+€20 million), greater costs for lighting and driving force (+€14 million), greater costs for maintenance, cleaning and other contracted work (+€12 million), offset by greater capitalisations (+€40 million) following the increase in investments, specifically those with the highest degree of insourcing. Italferr S.p.A.'s decrease is mainly the result of the increased capitalisations recognised in the first half of the year (€3 million).

The **gross operating profit** came to €147 million (€221 million in the first half of 2014), while the **operating profit** is €99 million, down by €76 million. It was affected not only by the weaker profit from the core business (-€74 million), but by the €2 million increase in amortisation and depreciation as well, due to the cut in the HS/HC network rate affecting RFI S.p.A., mainly in connection with the growth in forecast train/km volumes for 2015.

Net financial expense improved by €10 million from €27 million to €17 million. This change relates to RFI S.p.A. and is mainly the result of the increase in financial income following greater interest income on the VAT asset from the parent (+€2 million) and lower financial expense related to the interest cost of post-employment benefits and lower interest on the trade payables to group companies (-€6 million).

Income taxes decreased by €11 million, mainly in relation to RFI S.p.A. as a result of the new legislation introduced by Law no. 190/2014 (the 2015 Stability Act) entailing the full deductibility for IRAP purposes of all personnel expense relating to employees hired under open-ended contracts as of the 2015 tax period. It should be noted that, at present, the considerable expense relating to personnel hired under open-ended contracts leads to the structural zeroing of the IRAP tax base which is substantially related to RFI S.p.A..

Loans and borrowings

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

On 30 January 2015, at the Ministry of the Economy and Finance, the MEF and the European Investment Bank reached an agreement to finance RFI S.p.A.'s action plan. The agreement, which grants a loan worth almost €1 billion to be used to upgrade traditional railway lines and the regional and local lines from the northern to southern Italy, was signed by the EIB's deputy chairman and the Treasury's Director General.

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, listed later on, 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 Česká 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 Self S.r.l., which manages the transport and dispatching of electrical energy, and 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.

millions of Euros

	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	9	6	3	50.0
Other income	173	174	(1)	(0.6)
Revenue	182	180	2	1.1
Operating costs	(139)	(133)	(6)	(4.5)
Gross operating profit	43	47	(4)	(8.5)
Operating profit	26	27	(1)	(3.7)
Segment profit (attributable to the owners of the parent and non-controlling interests)	12	13	(1)	(7.7)
	30.06.2015	31.12.2014	Change	%
Net invested capital	1,989	1,977	12	0.6

The Real Estate Services segment showed a **profit for the period** of €12 million, down only slightly (-€1 million) on the same period of 2014.

	millions of Euros			
	First half of 2015	First half of 2014	Change	%
Revenue from sales and services	9	6	3	50.0
Revenue from the sale of electrical energy for traction	4	3	1	33.3
Other service revenue	5	3	2	66.7
Other income	173	174	(1)	(0.6)
Revenue	182	180	2	1.1

Revenue from sales and services amounts to €9 million, up by €3 million on the first half of 2014 (+50%), following the increase in revenue from engineering services (fees from a technical party), mainly related to the Centostazioni S.p.A.'s contracts, and the rise in the changes in work in progress due to the increase in the volume of work carried out on behalf of group companies and third parties by Grandi Stazioni S.p.A..

Other income dropped slightly from €174 million in the first half of 2014 to €173 million in the same period of 2014. This caption is mainly comprised of revenue from real estate services (€161 million in the first half of 2015), specifically revenue from leases and fees and other amounts related to real estate services which are unchanged from the first half of 2014, revenue from the recharging of condominium expense and management fees (€55 million), revenue from the sale of advertising spaces (€11 million) and revenue from the sale of land and buildings held for trading (€6 million).

	millions of Euros			
	First half of 2015	First half of 2014	Change	%
Personnel expense	17	17		
Other costs, net	122	116	6	5.2
Raw materials, consumables, supplies and goods	4	4		
Services	76	68	8	11.8
Use of third-party assets	30	32	(2)	(6.3)
Other operating costs	14	14		
Internal work capitalised	(2)	(2)		
Operating costs	139	133	6	4.5

Operating costs amount to €139 million, up by €6 million on the first half of 2014 (+4.5%), substantially due to the increase in other costs, net.

The €6 million increase in **other costs, net** is mainly due to the rise in costs for cleaning, maintenance, security and utilities repayable by tenants (+€8 million), offset by a drop in the lease payments related to buildings following the decrease in leased spaces.

Gross operating profit (EBITDA) for the first half of 2015 is €43 million, down by €4 million on the same period of the previous year. The segment's **operating profit** for the first half of 2015 is €26 million, down slightly (€1 million) on the first half of 2014, mainly as a consequence of the more than proportional increase in operating costs (+€6 million) compared to revenue for the period (+€2 million) following that stated above.

Net financial expense amounts to €2 million and is in line with the balance of the same period of the prior year.

Income taxes decreased by €1 million on the first half of 2014. This difference is mainly related to the above-mentioned changes introduced by the latest Stability Act which entailed the full deductibility for IRAP purposes of personnel expense relating to employees hired under open-ended contracts.

Loans and borrowings

- **Loan for the Metronapoli project**

On 2 April 2015, Grandi Stazioni S.p.A. signed a €21 million loan agreement with Banco di Napoli S.p.A. and Intesa Sanpaolo S.p.A. to finance the Metronapoli project. The aim of this project is the economic exploitation of the Naples' shopping gallery for 35 years. The loan has a 15-year term and consists of two instalments of €15 and €6 million, respectively. The first instalment refers to the JESSICA funds which are focused on urban regeneration projects as part of the initiative launched by the European commission in collaboration with the EIB and the Council of Europe Development Bank to promote sustainable investments in urban areas.

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, providing the Group's main companies with services for the integrated management of activities not directly related to railway operations. 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 the FS group employees, and Italcertifier S.p.A. which carries out certification, validation and testing activities on transport and infrastructure systems.

	millions of Euros			
	First half of 2015	First half of 2014	Change	%
Revenue from sales and services		1	(1)	(100.0)
Other income	129	126	3	2.4
Revenue	129	127	2	1.6
Operating costs	(109)	(111)	2	1.8
Gross operating profit	20	16	4	25.0
Operating profit	11	5	6	120.0
Segment profit (attributable to the owners of the parent and non-controlling interests)	113	29	84	>200

	30.06.2015	31.12.2014	Change	%
Net invested capital	541	155	386	>200

Other Services showed a **profit for the period** of €113 million, up by €84 million on the previous year.

	millions of Euros			
	First half of 2015	First half of 2014	Delta	%
Revenue from sales and services		1	(1)	(100.0)
Other income	129	126	3	2.4
Revenue	129	127	2	1.6

Revenue of €129 million increased by €2 million (+1.6%) and almost exclusively consists of **other income** which includes revenue and income from the non-core business.

In particular, 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 €16 million, up by €1 million in the period;

- revenue generated by Ferservizi S.p.A. from facility management and administrative services, amounting to €69 million, up by €2 million;
- revenue generated by the parent for recharging group companies for services and consultancy provided under the service and consultancy agreement and for fee income from the use of trademarks, totalling €36 million, substantially in line with the same period of the previous year;
- revenue generated by Italcertifer S.p.A. for the completion of several contracts, amounting to €6 million, up by €2 million;
- revenue generated by Fercredit S.p.A. for the sale of its lease, factoring and consumer credit products, amounting to €2 million, with no material changes in the first half of 2015.

	millions of Euros			
	First half of 2015	First half of 2014	Delta	%
Personnel expense	70	74	(4)	(5.4)
Other costs, net	39	37	2	5.4
Raw materials, consumables, supplies and goods		1	(1)	(100.0)
Services	31	28	3	10.7
Use of third-party assets	2	3	(1)	(33.3)
Other operating costs	6	6		
Operating costs	109	111	(2)	(1.8)

Personnel expense of €70 million shows an overall decrease of €4 million (-5.4%) compared to the same period of 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 group 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 €39 million increased by €2 million (+5.4%) in the period. This change is mainly due to the increase in maintenance and repair costs for movable and immovable assets and other third party services relating to the parent.

Gross operating profit (EBITDA) amounts to €20 million (+€4 million on first half of 2014), while **operating profit (EBIT)** of €11 million is up €6 million on the first half of 2014 and is mainly affected by a slight increase in amortisation and depreciation (+€1 million) and a decrease in impairment losses (-€4 million), mostly relating to the parent.

Net financial income rose from €12 million to €87 million in the first half of the year. This change is mainly due to:

- €8 million decrease in financial income related to the reduction in interest income on non-current loans that the parent granted to subsidiaries;
- €75 million increase in other financial income which is 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;

- €3 million increase in interest on the VAT credit reimbursement claimed, lower financial expense on the loans from Cassa Depositi e Prestiti and the EIB (€5 million) and lower financial expense related to the two bonds issued as part of the Euro Medium Term Notes programme and Eurofima (€3 million);

The profit for the period is net of **income taxes** of €15 million, which reflect the positive effects of the national tax consolidation scheme among the parent's core operations.

Loans and borrowings

- ***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.

At 30 June 2015, in order to meet the FS Group's cash requirements, the holding company's Treasury department drew €325 million from the backup facility, while €915 million of the uncommitted current credit lines was used.

- **Fitch rating confirmed**

On 13 May 2015, Fitch Ratings issued its annual credit rating of Ferrovie dello Stato Italiane S.p.A., confirming its Long-Term Issuer Default Rating of "BBB+". The outlook remains stable in line with that of Italy. Furthermore, Fitch confirmed the "BBB+" rating of the EMTN Programme and the two notes currently listed.

- **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 income 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 High speed/High capacity infrastructural project and Trenitalia S.p.A.'s project to purchase rolling stock to be used in the High speed and regional transport sectors.

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

Income statement

	millions of Euros			
	First half of 2015	First half of 2014	Change	%
Revenue	73	77	(4)	(5.2)
- Revenue from sales and services	69	74	(5)	(6.8)
- Other revenue	4	3	1	33.3
Operating costs	(69)	(70)	1	1.4
GROSS OPERATING PROFIT	4	7	(3)	(42.9)
Amortisation and depreciation	(13)	(11)	(2)	(0.2)
Impairment losses (reversals of impairment losses)		(5)	5	1.0
OPERATING LOSS	(9)	(9)		
Net financial income	166	118	48	40.7
PRE-TAX PROFIT	157	109	48	44.0
Income taxes	(6)	(5)	(1)	(20.0)
PROFIT FOR THE PERIOD	151	104	47	45.2

The **profit for the period** amounts to €151 million, showing an improvement of €47 million (+45.2%) on the previous year.

Gross operating profit (EBITDA) decreased slightly by €3 million, from a gross operating profit of €7 million to a gross operating profit of €4 million, the net result of the following factors:

- €4 million decrease in **revenue** mainly due to the effect of lower revenue from sales of land and buildings held for trading;
- €1 million decrease in **operating costs**, mainly due to the reduction in the costs for the use of third-party assets following the decrease in building lease instalment costs.

The company reports another **operating loss (EBIT)** of €9 million, unchanged from 2014.

Net financial income improved by €48 million, mainly due to the combined effect of:

- the decrease in dividends distributed by group companies, totalling €27 million;
- €75 million increase in other financial income which is considerably affected by the gain on 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;
- €7 million decrease in interest income on the loans granted to Rete Ferroviaria Italiana S.p.A. and Trenitalia S.p.A.;
- lower financial expense on the loans from Cassa Depositi e Prestiti and the EIB and the two bonds issued as part of the Euro Medium Term Notes programme and Eurofima (€9 million).

The **net tax charge** shows a negative balance of €6 million; the €1 million difference compared to the previous year is mainly due to the increase in the IRAP tax following greater income, offset by the decrease in net releases of deferred tax assets and liabilities.

Reclassified statement of financial position

millions of Euros

	30.06.2015	31.12.2014	Change
ASSETS			
Net operating working capital	548	543	5
Other net assets	(10)	(173)	163
Working capital	538	370	168
Non-current assets	596	602	(6)
Equity investments	35,450	35,563	(113)
Net non-current assets	36,046	36,165	(119)
Post-employment benefits	(12)	(14)	2
Other provisions	(542)	(515)	(27)
Post-employment benefits and other provisions	(554)	(529)	(25)
NET INVESTED CAPITAL	36,030	36,006	24
COVERAGE			
Net current financial debt	(419)	(334)	(85)
Net non-current financial debt	(2)		(2)
Net financial debt	(421)	(334)	(87)
Equity	36,451	36,340	111
COVERAGE	36,030	36,006	24

Net invested capital of €36,030 million increased by €24 million in the period due to the rise in **working capital** (€168 million), offset by the decrease in **net non-current assets** (€119 million) and the increase in **post-employment benefits and other provisions** (€25 million).

Net operating working capital of €548 million increased by €5 million in the period, mainly due to:

- the net decrease in trade receivables and payables (€3 million);
- the increase in property and land held for sale (€8 million) mainly due to the acquisition of the Treviso real estate complex (€10 million) by the subsidiary FS Logistica S.p.A..

Other net assets rose by €163 million mainly as a consequence of the net increase of €40 million in VAT assets and liabilities and the €123 million increase in the balance of current and non-current receivables and payables, mainly due to the cancellation of the recognised obligations relating to the investee Eurofima SA's callable shares, with the concurrent decrease in the carrying amount of the investment, following the above-mentioned analyses of Swiss company law.

Net non-current assets came to €36,046 million, down by €119 million on 2014, mainly due to the decrease in the carrying amount of the investment in Eurofima SA, as described earlier.

The increase in **post-employment benefits and other provisions** (+€25 million) mainly reflects the net increase in the tax provision for tax consolidation (+€28 million), offset by the decrease in other sundry risks (-€1 million), the provision for deferred tax liabilities (-€1 million), the provision for post-employment benefits and other employee benefits (-€1 million).

Net financial debt increased by €87 million, with net cash rising from €334 million at 31 December 2014 to €421 million at 30 June 2015. This change is due to the decrease in net current financial debt (-€85 million).

Finally, **equity** shows an €111 million increase, mainly due to the profit for the period, net of the €40 million paid to the Ministry of the Economy and Finance pursuant to article 10.12 of Law decree no. 192/2014 (the so-called “1,000 extensions”, converted into Law no. 11 of 27 February 2015).

Consolidated financial statements

Statement of financial position

millions of Euros

	30.06.2015	31.12.2014
Assets		
Property, plant and equipment	44,325	44,002
Investment property	1,629	1,643
Intangible assets	663	647
Deferred tax assets	141	139
Equity-accounted investments	297	301
Non-current financial assets (including derivatives)	3,022	3,385
Non-current trade receivables	93	93
Other non-current assets	1,252	1,127
Total non-current assets	51,422	51,337
Construction contracts	39	43
Inventories	2,018	1,940
Current trade receivables	2,912	2,396
Current financial assets (including derivatives)	607	597
Cash and cash equivalents	573	1,308
Tax assets	129	101
Other current assets	7,029	5,809
Total current assets	13,307	12,194
Assets held for sale and disposal groups	3	3
Total assets	64,732	63,534
Total equity and liabilities		
Share capital	36,340	38,790
Reserves	(36)	311
Reserves for unrealised gains and losses	(547)	(686)
Retained earnings (losses carried forward)	1,387	(1,661)
Profit for the period/year	289	292
Equity attributable to the owners of the parent	37,433	37,046
Profit for the period/year attributable to non-controlling interests	3	11
Share capital and reserves attributable to non-controlling interests	270	261
Total equity attributable to non-controlling interests	273	272
Equity	37,706	37,318
Liabilities		
Non-current loans and borrowings	8,734	9,591
Post-employment benefits and other employee benefits	1,865	1,964
Provisions for risks and charges	796	822
Deferred tax liabilities	197	199
Non-current financial liabilities (including derivatives)	102	155
Non-current trade payables	22	20
Other non-current liabilities	306	553
Total non-current liabilities	12,022	13,304
Current loans and borrowings and current portion of non-current loans and borrowings	3,216	1,498
Current portion of provisions for risks and charges	25	22
Current trade payables	3,621	3,628
Tax liabilities	14	5
Current financial liabilities (including derivatives)	181	272
Other current liabilities	7,947	7,487
Total current liabilities	15,004	12,912
Assets held for sale and disposal groups		
Total liabilities	27,026	26,216
Total equity and liabilities	64,732	63,534

Income statement

millions of Euros

	First half of 2015	First half of 2014
Revenue		
Revenue from sales and services	3,891	3,841
Other income	302	321
Total revenue	4,193	4,162
Operating costs		
Personnel expense	(1,966)	(1,959)
Raw materials, consumables, supplies and goods	(467)	(378)
Services	(1,140)	(1,087)
Use of third-party assets	(89)	(86)
Other operating costs	(71)	(76)
Internal work capitalised	488	451
Amortisation and depreciation	(598)	(564)
Reversals of impairment losses	(17)	(12)
Provisions		(13)
Operating profit	333	438
Financial income and expense		
Financial income	93	22
Financial expense	(119)	(127)
Share of profits of equity-accounted investees	4	7
Pre-tax profit	311	340
Income taxes	(19)	(55)
Profit from continuing operations		
Segment profit (attributable to the owners of the parent and non-controlling interests)	292	285
<i>Profit for the period attributable to the owners of the parent</i>	289	282
<i>Profit for the period attributable to non-controlling interests</i>	3	3

Statement of comprehensive income

millions of Euros

	First half of 2015	First half of 2014
Segment profit (attributable to the owners of the parent and non-controlling interests)	292	285
Other comprehensive income		
Items that will not be reclassified to profit or loss, net of the tax effect:		
Actuarial gains (losses)	76	(120)
attributable to the owners of the parent	76	(120)
attributable to non-controlling interests		
Items reclassified to profit or loss	12	14
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	50	(11)
attributable to the owners of the parent	49	(11)
attributable to non-controlling interests	1	
Net exchange rate losses	1	
Net fair value losses on available-for-sale financial assets		
Total other comprehensive income (expense), net of the tax effect	139	(117)
Comprehensive income (attributable to the owners of the parent and non-controlling interests)	431	168
<i>Comprehensive income attributable to:</i>		
Owners of the parent	427	165
Non-controlling interests	4	3

Statement of changes in equity

millions of Euros

Equity														
	Reserves										Profit for the period	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
	Reserves					Reserve for unrealised gains and losses								
	Share capital	Legal reserve	Extraordinary reserve	Other reserves	Translation reserve	Hedging reserve	Actuarial reserve	Total reserves	Losses carried forward					
Balance at 1 January 2014	38,790	21	28	255	3	(326)	(232)	(251)	(2,106)	459	36,892	262	37,154	
Capital increase (capital decrease)														
Dividend distribution												(5)	(5)	
Allocation of profit for the previous year		4						4	455	(459)				
Change in consolidation scope									(11)		(11)		(11)	
Other changes														
Recognised profits/(losses)														
of which:														
Profit for the period										282	282	3	285	
Gains/(losses) recognised directly in equity						3	(120)	(117)			(117)		(117)	
Balance at 30 June 2014	38,790	25	28	255	3	(323)	(352)	(364)	(1,662)	282	37,046	260	37,306	
Balance at 1 January 2015	38,790	25	28	255	3	(291)	(395)	(375)	(1,661)	292	37,046	272	37,318	
Capital increase (capital decrease)	(2,450)	(25)	(28)	(255)			2	(306)	2,756					
Dividend distribution												(8)	(8)	
Allocation of profit for the previous year									292	(292)				
Change in consolidation scope														
Other changes				(40)				(40)			(40)	5	(35)	
Recognised profits/(losses)														
of which:														
Profit for the period										289	289	3	292	
Gains/(losses) recognised directly in equity					1	61	76	138			138	1	139	
Balance at 30 June 2015	36,340			(40)	4	(230)	(317)	(583)	1,387	289	37,433	273	37,706	

Statement of cash flows

millions of Euros

	30.06.2015	30.06.2014
Profit for the period	292	285
Amortisation and depreciation	598	564
Share of profits of equity-accounted investees	(4)	(7)
Accruals to provisions and impairment losses	37	65
Profits on sales	(17)	(39)
Change in inventories	(62)	(81)
Change in trade receivables	(510)	(266)
Change in trade payables	(9)	(377)
Change in current and deferred taxes	(24)	7
Change in other liabilities	181	1,599
Change in other assets	(1,338)	(994)
Utilisation of the provisions for risks and charges	(55)	(96)
Payment of employee benefits	(42)	(37)
Net cash flows generated by (used in) operating activities	(953)	623
Increases in property, plant and equipment	(1,967)	(1,450)
Increases in investment property		(2)
Increases in intangible assets	(56)	(51)
Increases in equity investments	(74)	(1)
Investments, before grants	(2,097)	(1,504)
Grants for property, plant and equipment	1,112	790
Grants for investment property		1
Grants for intangible assets		
Grants for equity investments	69	
Grants	1,181	791
Divestments of property, plant and equipment	33	18
Divestments of investment property		
Divestments of intangible assets		
Divestments of equity investments		
Divestments	33	18
Net cash flows used in investing activities	(883)	(695)
Disbursement and repayment of non-current loans	(265)	(230)
Disbursement and repayment of current loans	1,135	(99)
Change in financial assets	353	222
Change in financial liabilities	(82)	51
Changes in equity	(40)	(2)
Net cash flows generated by (used in) financing activities	1,101	(58)
Total cash flows	(735)	(131)
Opening cash and cash equivalents	1,308	1,623
Closing cash and cash equivalents	573	1,492

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

Statement of financial position

Euros

	30.06.2015	31.12.2014
Assets		
Property, plant and equipment	47,036,368	44,801,369
Investment property	512,589,818	519,273,412
Intangible assets	36,907,592	38,439,199
Deferred tax assets	212,278,754	213,966,058
Equity investments	35,449,563,228	35,562,960,772
Non-current financial assets (including derivatives)	4,823,463,849	5,438,794,498
Non-current trade receivables	6,096,509	6,096,509
Other non-current assets	468,256,115	442,598,611
Total non-current assets	41,556,192,233	42,266,930,428
Inventories	499,450,347	491,166,892
Current trade receivables	113,696,299	121,529,987
Current financial assets (including derivatives)	2,494,774,637	1,342,170,011
Cash and cash equivalents	151,855,925	183,086,063
Tax assets	80,983,772	81,909,893
Other current assets	558,332,088	400,277,255
Total current assets	3,899,093,065	2,620,140,101
Total assets	45,455,285,299	44,887,070,529
Equity		
Share capital	36,340,432,802	38,790,425,485
Reserves	(40,000,000)	307,602,382
Reserves for unrealised gains and losses	391,900	(1,869,832)
Losses carried forward		(2,844,937,242)
Profit for the period/year	150,882,390	89,212,009
Total equity	36,451,707,092	36,340,432,802
Liabilities		
Non-current loans and borrowings	4,821,234,402	5,438,641,624
Post-employment benefits and other employee benefits	12,484,407	13,905,651
Provisions for risks and charges	76,724,000	77,897,585
Deferred tax liabilities	464,833,904	437,741,502
Other non-current liabilities	543,956,802	873,860,400
Total non-current liabilities	5,919,233,515	6,842,046,762
Current loans and borrowings and current portion of non-current loans and borrowings	2,085,624,218	701,887,360
Current trade payables	71,955,477	76,023,115
Tax liabilities	4,204,222	
Current financial liabilities (including derivatives)	141,785,735	489,518,719
Other current liabilities	780,775,040	437,161,771
Total current liabilities	3,084,344,692	1,704,590,965
Total liabilities	9,003,578,207	8,546,637,727
Total equity and liabilities	45,455,285,299	44,887,070,529

Income statement

	Euros	
	First half of 2015	First half of 2014
Revenue from sales and services	69,170,249	73,401,460
Other income	3,546,464	3,398,523
Total revenue	72,716,713	76,799,983
Operating costs		
Personnel expense	(23,905,869)	(27,244,404)
Raw materials, consumables, supplies and goods	(3,342,827)	(3,565,101)
Services	(26,956,827)	(23,618,921)
Use of third-party assets	(1,764,523)	(2,857,644)
Other operating costs	(12,838,878)	(13,043,085)
Internal work capitalised	143,209	110,220
Total operating costs	(68,665,715)	(70,218,935)
Amortisation and depreciation	(12,696,304)	(10,738,440)
Reversal of impairment losses	(81,539)	(4,991,850)
Operating loss (EBIT)	(8,726,845)	(9,149,242)
Financial income and expense		
Gains on equity investments	85,693,134	113,022,859
Other financial income	153,696,953	85,761,984
Losses on equity investments		(38,034)
Other financial expense	(73,591,876)	(80,546,213)
Pre-tax profit	157,071,366	109,051,354
Income taxes	(6,188,976)	(4,795,262)
Profit from continuing operations	150,882,390	104,256,092
Profit for the period	150,882,390	104,256,092

Statement of comprehensive income

Euros

	First half of 2015	First half of 2014
Profit for the period	150,882,390	104,256,092
Items that will not be reclassified to profit or loss:		
Actuarial gains (losses)	535,374	(722,746)
Tax effect on actuarial gains (losses)	(143,474)	195,113
Total other comprehensive income/(expense), net of the tax effect	391,900	(527,633)
Comprehensive income	151,274,290	103,728,459

Statement of changes in equity

Euros

	Equity								
	Share capital	Reserves				Total reserves	Losses carried forward	Profit for the period	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	21,267,717	27,896,982	254,599,169	(1,161,089)	302,602,779	(2,917,869,021)	76,770,293	36,251,929,535
Capital increase									
Dividend distribution									
Allocation of profit for the previous year		3,838,514				3,838,514	72,931,779	(76,770,293)	
Other changes									
Recognised gains/(losses) of which:									
Gains/(losses) recognised directly in equity					(527,633)	(527,633)			(527,633)
Profit for the period								104,256,092	104,256,092
Balance at 30 June 2014	38,790,425,485	25,106,231	27,896,982	254,599,169	(1,688,722)	305,913,660	(2,844,937,242)	104,256,092	36,355,657,995
Balance at 1 January 2015	38,790,425,485	25,106,231	27,896,982	254,599,169	(1,869,832)	305,732,550	(2,844,937,242)	89,212,009	36,340,432,802
Share capital decrease	(2,449,992,683)	(25,106,231)	(27,896,982)	(254,599,169)	1,869,832	(305,732,550)	2,755,725,233		
Dividend distribution									
Allocation of profit for the previous year							89,212,009	(89,212,009)	
Other changes									
Recognised profits/(losses) of which:									
Gains/(losses) recognised directly in equity				(40,000,000)		(40,000,000)			(40,000,000)
Profit for the period					391,900	391,900		150,882,390	150,882,390
Balance at 30 June 2015	36,340,432,802			(40,000,000)	391,900	(39,608,100)		150,882,390	36,451,707,092

STATEMENT OF CASH FLOWS

Euros

	30.06.2015	30.06.2014
Profit for the period	150,882,390	104,256,092
Income taxes	6,188,976	4,795,262
Net financial income	(79,995,983)	
Amortisation and depreciation	12,696,304	10,738,440
Accruals to the provisions for risks	148,602	
Impairment losses		1,352,009
Accruals for employee benefits	63,083	182,273
Accruals and impairment losses	211,685	1,534,282
Profits on sales	(189,629)	
Change in inventories	(8,130,191)	2,616,033
Change in trade receivables	7,833,688	(16,368,850)
Change in trade payables	(4,067,638)	(2,690,372)
Change in other assets	(182,881,652)	(122,701,891)
Change in other liabilities	207,982,900	(19,053,788)
Utilisation of the provisions for risks and charges	(1,320,646)	(1,156,071)
Payment of employee benefits	(948,953)	(2,181,701)
Financial income collected/financial expense paid	4,500,768	
Change in tax assets/liabilities for taxes that do not generate cash flows	26,746,915	19,829,662
Net cash flows generated by (used in) operating activities	139,508,934	(20,382,902)
Increases in property, plant and equipment	(338,815)	(174,142)
Increases in investment property	(57,707)	(467,497)
Increases in intangible assets	(6,528,562)	(4,809,510)
Increases in equity investments	(5,489,500)	(10,550,534)
Investments, before grants	(12,414,584)	(16,001,683)
Divestments of property, plant and equipment	17,471	661
Divestments of equity investments	335,362	
Divestments	352,833	661
Net cash flows used in investing activities	(12,061,751)	(16,001,022)
Disbursement and repayment of non-current loans	(273,922,396)	(38,149,747)
Disbursement and repayment of current loans	1,040,252,034	(50,199,096)
Change in financial assets	(762,598,555)	164,791,863
Changes in equity	(40,000,000)	
Net cash flows generated by (used in) financing activities	(36,268,917)	76,443,020
Total cash flows	91,178,266	40,059,096
Opening cash and cash equivalents	287,898,056	223,246,802
Closing cash and cash equivalents	379,076,323	263,305,898
of which infragroup	227,220,398	91,957,037

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