

**SECOND SUPPLEMENT DATED 14 MARCH 2018 TO
THE BASE PROSPECTUS DATED 13 JUNE 2017**



FERROVIE DELLO STATO ITALIANE S.p.A.

(Incorporated with limited liability in the Republic of Italy)

€4,500,000,000

Euro Medium Term Note Programme

This supplement (the “**Supplement**”) to the base prospectus dated 13 June 2017, as supplemented by the first supplement dated 21 November 2017 (the “**Base Prospectus**”), constitutes a supplementary prospectus for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the “**Prospectus Regulations**”) and is prepared in connection with the Euro Medium Term Note Programme (the “**Programme**”) established by Ferrovie dello Stato Italiane S.p.A. (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

With effect from the date of this Supplement, each reference in the Base Prospectus to “Base Prospectus” shall be read and construed as a reference to the Base Prospectus as amended and supplemented by this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Purpose of the Supplement

The purpose of this Supplement is (i) to update the cover page of the Base Prospectus; (ii) to amend the “*Important Notices*” sections of the Base Prospectus; (iii) to update the “*Information Incorporated by Reference*” section of the Base Prospectus to incorporate by reference press releases relating to the Issuer and its Group; (iv) to amend the “*Form of Final Terms*” section of the Base Prospectus; and (v) to update the “*Description of the Issuer*” section of the Base Prospectus.

AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS

Cover Page

On the cover page of the Base Prospectus, the following paragraph shall be inserted immediately before the paragraph beginning “*Investing in Notes issued under the Programme involves certain risks.*”

“Amounts payable under the Notes may be calculated by reference, *inter alia*, to EURIBOR or LIBOR, as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrators of EURIBOR and LIBOR are not included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply such that the administrators of EURIBOR and LIBOR are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).”

Important Notices

In the section entitled “*Important Notices*” on page 2 of the Base Prospectus, the following paragraph shall be inserted immediately before the paragraph entitled “*Programme Limit*”:

“MIFID II product governance / target market

The Final Terms in respect of any Notes may include a legend entitled “*MiFID II Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.”

Information Incorporated by Reference

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus on page 21 shall be supplemented in the manner described below.

Press release relating to the award of the public transport services in the municipalities of Drechtsteden, Alblasserwaard and Vijfheerenlanden in The Netherlands

A copy of the press release dated 23 February 2018 relating to the award to Busitalia, part of the FS Group, of the public transport services in the municipalities of Drechtsteden, Alblasserwaard and Vijfheerenlanden in The Netherlands, has been filed with the Central Bank of Ireland, and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

The following information shall be incorporated by reference in, and form a part of, the Base Prospectus:

- the first, second and third paragraphs of the press release dated 23 February 2018 relating to the award of the public transport services in the municipalities of Drechtsteden, Alblasserwaard and Vijfheerenlanden in The Netherlands.

https://www.fsitaliane.it/content/dam/fsitaliane/Documents/media-ed-eventi/comunicati-stampa-e-news/anno-2018/febbraio/2018_02_23_QBuzz_Busitalia.pdf

Press release relating to the issuance by FS of EUR100 million notes subscribed for by the European Investment Bank

A copy of the press release dated 19 December 2017, relating to the EUR100 million floating rate notes with an 8 year maturity issued by FS and subscribed for by the European Investment Bank, has been filed with the Central Bank of Ireland, and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

The following information shall be incorporated by reference in, and form a part of, the Base Prospectus:

- the press release dated 19 December 2017 relating to the issuance by FS of EUR100 million notes subscribed for by the European Investment Bank.

https://www.fsitaliane.it/content/dam/fsitaliane/en/Documents/media-and-events/press-releases-and-news/2017/december/2017_12_19_PR_FS_Italiane_Euro_100_million_Bond_European_Investment_Bank.pdf

Press release relating to the issuance by FS of its EUR600 million inaugural green bonds notes

A copy of the press release dated 1 December 2017, relating to the issuance of EUR600 million inaugural green bond notes with a 6 year tenor issued by FS, has been filed with the

Central Bank of Ireland, and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

The following information shall be incorporated by reference in, and form a part of, the Base Prospectus:

- the press release dated 1 December 2017 relating to the issuance by FS of its EUR600 million inaugural green bonds notes.

https://www.fsitaliane.it/content/dam/fsitaliane/en/Documents/media-and-events/press-releases-and-news/2017/december/2017_12_01_CS_Green_Bond_Closed_ENG.pdf

Copies of the documents specified above as containing information incorporated by reference in this Supplement may be inspected, free of charge, at the registered office of the Issuer.

FORM OF FINAL TERMS

The section of the Base Prospectus entitled “*Form of Final Terms*” on pages 57 to 67 of the Base Prospectus shall be deleted in its entirety and replaced as set out at Annex 1 to this Supplement.

DESCRIPTION OF THE ISSUER

Corporate Bodies and Management

The sub-section headed “*Corporate Bodies and Management*”, on pages 83-87 of the Base Prospectus, shall be deleted and replaced by the following:

“Corporate Bodies and Management

The following table sets out the composition of the Board of Directors of the Issuer as of the date of this Base Prospectus. The shareholders’ meeting on 29 December 2017 appointed a Board of Directors comprising seven members for a period of three terms, which terminate on the date in which the financial statements for the last year of the directors' third term is approved. According to clause 10.3 of the Articles of Association, the members of the Board of Directors may be re-elected.

Board of Directors and Management

The Board of Directors of FS consists of seven members.

The following are the members of the Boards of Directors of FS all of whom were appointed on 29 December 2017.

Name	Position (FS)	Other activities of the members of the Board of Directors within the Group	Main activities of the members of the Board of Directors outside the Group
Gioia Maria Ghezzi	Chairman of the Board of Directors	N/A	<p>Member of the General Council of Confindustria (General Representative)</p> <p>Vice President for the Sustainable Development and Smart Cities of Assolombarda Confindustria Milano, Monza and Brianza</p> <p>Member of the General Council of Unindustria - Association of Manufacturers and enterprises of Rome, Frosinone, Latina, Rieti, Viterbo.</p> <p>Member of Governing Council of Assonime</p> <p>Member of the Board of Humanitas S.p.A</p> <p>Member of the Italian Group of the Trilateral Commission</p> <p>Senior Advisor of Gruppo Investimenti Portuali - GIP</p>
Renato Mazzoncini	CEO/Managing Director General Manager	Chairman of the board of Directors of NUGO S.p.A.	<p>Chairman of UIC, International Union of Railways</p> <p>Member of the European Management Committee of UIC Europe and member of CER (Community of European Railway and Infrastructure Companies) Management Committee.</p>
Giovanni Azzone	Director	N/A	<p>Chairman of the Board of Directors of Arexpo S.p.A.</p> <p>Member of the Board of Poste Italiane S.p.A.</p> <p>Professor of Enterprise and</p>

			Strategic Decisions at Politecnico di Milano
Simonetta Giordani	Director	N/A	Head of Institutional Affairs & Sustainability at Atlantia S.p.A.
Federico Lovadina	Director	N/A	Chairman of the Board of Directors of Toscana Energia S.p.A. Partner of Studio Legale Associato BL
Francesca Moraci	Director	N/A	Tenured Professor in City Planning and head of city planning laboratory at the architecture and territory faculty of the Università Mediterranea in Reggio Calabria Scientific manager of the urban and territorial strategies for planning laboratory – LabStutep – of the Università Mediterranea in Reggio Calabria Member of the technical committee of the interregional permanent conference for the coordination of the policies in the Messina Strait area (established pursuant art. 4 Calabrian regional law n. 12 of April 2015) Vice-chairman of the conference of the entities participating to the protocol of intent between FS-Sistemi Urbani, ANAS, Italian Ministry of Infrastructures and Transport, universities and business associations on the project “ <i>QVQC- Quale Velocità Quale Città- Alta Velocità /Alta Capacità. I nuovi scenari ambientali e territoriali in Europa e in</i>

			<p><i>Italia”</i></p> <p>Member of the college of professor of the architecture and territory PhD of the Università Mediterranea in Reggio Calabria</p> <p>Founding member and vicechairman of the national scientific association “<i>Accademia Urbana</i>”</p>
Wanda Ternau	Director	Member of the Board of Mercitalia Logistic SpA;	<p>Teaching activities on Global Regulation of Markets and Engineering Infrastructure and Railway Systems at Sapienza University</p> <p>Member of the Strategic/Executive Committee of GSSEP (Global Social Sustainable Energy Program) Onlus</p> <p>Officer of International Bar Association (IBA, International Construction projects committee)</p> <p>Fellow of the Chartered Institute of Arbitrators of London; Professional Member of the Dispute Board Federation of Geneva and Singapore</p> <p>Member of the Board of Mediaset S.p.A.</p>

The business address of each member of the Board of Directors of FS is Piazza della Croce Rossa, 1, 00161 Rome, Italy.

Board of Statutory Auditors

The Board of Statutory Auditors has three standing members and two alternative members elected by the general shareholders' meeting. Pursuant to Article 2403 of the Italian Civil Code, the Board verifies compliance with the law, the Articles of Association and with correct corporate governance principles, and also verifies the adequacy and functionality of the organisational structure and administrative and accounting systems adopted by the Issuer.

The following is a list of the auditors appointed or, as the case may be, reappointed on 9 August 2013 and on 4 July 2016:

Name	Position (FS)	Other activities of the members of the Board of Statutory Auditors within the Group	Main activities of the members of the Board of Statutory Auditors outside the Group
Carmine Di Nuzzo	Chairman of the Board of Statutory Auditors (since 4 July 2016)	N/A	<p>Manager of the Ragioneria Generale dello Stato (General Accounting Department of State) (MEF);</p> <p>Chief Inspector General of the General Inspectorate of financial relationship with the UE</p> <p>Chief Inspector General of the General Inspectorate for the computerization of State Accounting</p>
Susanna Masi	Statutory Auditor (since 4 July 2016)	N/A	<p>Chairman of the Board of Statutory Auditors of INVIMIT Sgr S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Dea Capital RE Sgr</p>
Roberto Ascoli	Statutory Auditor (since 29 July 2016)	N/A	<p>- Chairman of the Board of Statutory Auditors of: Digicast S.p.A. (RCS Mediagroup); Imprepar S.p.A. in liq. (Impregilo Group); San Marino RTV S.p.A.; Metasalute - Fondo Sanitario Lavoratori Metalemeccanici;</p> <p>- Sole Auditor: Bigli S.r.l.; Bona Dea S.r.l.; Conti Editore S.r.l.; Corriere dello Sport S.r.l.; Finamo S.r.l.; Nuova Editoriale Sportiva S.r.l.; Periodica S.r.l.; Poligrafici Il Borgo S.r.l.; Polipress S.r.l; Sporting Vacanze S.r.l; Sport Network</p>

			<p>S.r.l.; Stec Società Tipografico Editrice Capitolina S.r.l.;</p> <p>- Chairman of the Board of Statutory Auditors and member of Supervisory Body ("Organismo di vigilanza" pursuant Legislative Decree. n. 231/01) of : Groupama Assicurazioni S.p.A.;</p> <p>- Statutory Auditor and member of Supervisory Body ("Organismo di vigilanza" pursuant Legislative Decree n. 231/01): Saba Italia S.p.A.;</p> <p>- Statutory Auditor of: Corit S.p.A. In Liq. (Unicredit Group): Federmeccanica - Federazione Sindacale dell'Industria Metalmeccanica Italiana; Giuseppe Laterza & Figli S.p.A.; Le Cliniche Odontoiatriche S.r.l.; Opel Italia S.r.l.</p>
Cinzia Simeone	Alternate Auditor (since 18 May 2004)	N/A	<p>Manager of Ragioneria Generale dello Stato Department with studies and research assignments</p> <p>Statutory auditor of the ECIPA Nazionale (National Confederation for Professional Education in Crafts and Small Businesses)</p> <p>Statutory auditor of the Federazioni Nazionale della Scherma (CONI)</p> <p>Member of the Commission for the accounting harmonization of local authorities (ARCONET) at the MEF and Member of the local finance observatory at the Ministry of the Interior</p>

Paolo Castaldi	Alternate Auditor (since 24 June 2010)	N/A	Manager at MEF (c/o Agenzia per le erogazioni in agricoltura) Auditor of Fondazione Istituto Italiano di Tecnologia Auditor of Federazione Motociclistica Italiana
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The residential addresses for each member of the Board of Statutory Auditors are as follows:
Dott. Di Nuzzo Carmine - Viale della Grande Muraglia 350, Rome, Italy

Dott.ssa Masi Susanna - Via XX Settembre 97, Rome, Italy

Dott. Roberto Ascoli - Via Antonio Gramsci 20 - Roma

Dott.ssa Cinzia Simeone - Via A. Casella 12, Rome, Italy

Dott. Paolo Castaldi - Via Dancalia 21, Rome, Italy”

Recent Events

In the sub-section headed “*Recent Events*”, on pages 119-120 of the Base Prospectus, the following paragraph is added after the last paragraph:

“Completion of transfer of share capital of ANAS S.p.A. to the Group

On 18 January 2018 the entire share capital of ANAS S.p.A. (“**ANAS**”) was transferred to the Issuer by the MEF as a contribution in kind, after the approval of the FS share capital increase by its shareholders’ meeting held on 29 December 2017 (the “**ANAS Transaction**”), which followed the positive opinion from the Italian Antitrust Authority.

The ANAS Transaction is a fundamental step in the process of implementing the Issuer’s 2017-2026 business plan because infrastructural integration, as well as the integration of various means of transport, is one of its five pillars. For ANAS, joining the FS Group is an additional step in its transformation process towards becoming a market player, which is necessary for it to gradually leave the perimeter of the Italian Public Administration.

In Italy, ANAS manages roads and motorways and recently started a recovery plan that will include the management of further regional and local roads. ANAS’ mission is to strengthen Italy’s strategic road infrastructure, improve access to urban centres and upgrade and develop intermodal connections. ANAS also aims at contributing to the digital transformation of Italy’s road infrastructures, in order to provide services that facilitate mobility, comfort and the monitoring process of road works.

In the FS Group, ANAS will be alongside other subsidiaries of the Group, such as RFI, the railway infrastructure manager, and Italferr S.p.A., the subsidiary operating on a national and international scale in designing and engineering, as well as the other companies including Trenitalia, Mercitalia Logistics S.p.A. and Busitalia, railway (passengers and freight) and road transport companies. In particular, ANAS and RFI can collaborate for maintenance

oversight and monitoring of the road network. Operational integrations will also be possible for predictive diagnostics. The Issuer expects that the coordination between RFI and ANAS may also result in a more effective and efficient connection of logistics hubs: ports, airports, railway stations and intermodal transfer points.

Due to the 2016-2020 program agreement entered into between ANAS and the Italian Ministry of Transport, the Issuer expects an increase of investment capacity and of the scheduled maintenance works which will have effects on renewal of viaducts, tunnels, paving and quality of the road network managed by ANAS. The adoption of the same processes of other FS Group's companies will facilitate the coordination in project designing and negotiating activities.

By entering in the FS Group, ANAS has begun the exit process from the Italian Public Administration to become a market player, therefore it should be able to activate a new plan which can envisage new hiring and new investments implementation in a faster and more efficient way.

Further integrations are envisaged in sharing know-how and technologies through the development of important projects for the benefit of safety and environment, such as smart roads, that can be travelled by electrified vehicles and driverless cars, making Italy one of the countries driving this innovation. With this aim it should be possible to install on the road network certain technologies already implemented on the railway network, such as the ERMTS, the safety system which manages railway circulation, in order to test new dialogue systems between the road and vehicles with the mid-term perspective of automatic driving. Besides, sharing of best practices should favour innovation in new tools for quality control over the roads and technical verification on viaducts and bridges.

The Issuer expects to leverage on the integration in connection with its international operations: FS Group will be able to propose itself as an entity capable of oversee the entire range of operations and services related to mobility infrastructure. This is in line with the internationalisation targets of the FS Group 2017-2026 industrial plan which places great importance on international growth.”

Other Information

In the section of the Base Prospectus entitled “*Description of the Issuer*”, the paragraphs entitled “*Judicial Investigations and Proceedings (Arbitration, Antitrust Proceedings and Proceedings before the Public Contracts Supervisory Authority; Administrative Litigation)*” on pages 112 – 119 of the Base Prospectus, are supplemented by the section attached as Annex 2 (*Litigation and Disputes*) to this Supplement.

ANNEX 1

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended, (the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[[MIFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.]²

Final Terms dated [●]

FERROVIE DELLO STATO ITALIANE S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

**under the
€4,500,000,000**

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 13 June 2017 [and the supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

¹ Square brackets or wording to be removed as appropriate for each issuance.

² Square brackets or wording to be removed as appropriate for each issuance.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

The expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "**Prospectus Directive**" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC, as amended, and include any relevant implementing measure in the relevant Member State.³

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 13 June 2017 [and the supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). This document does not constitute Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, as these Notes are not being issued pursuant to the Prospectus Directive.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

The expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "**Prospectus Directive**" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC as amended, and include any relevant implementing measure in the relevant Member State.⁴

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to

³ Include this wording where the Notes are to be listed.

⁴ Include this wording where the Notes are not to be listed.

- occur on or about [●]].]
2. Specified Currency or Currencies: [●]
 3. Aggregate Nominal Amount: [●]
 - (i) Series: [●]
 - (ii) Tranche: [●]
 4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (insert date, if applicable)]
 5. (i) Specified Denominations: [] [and integral multiples of [] in excess thereof up to and including []. No Notes in definitive form will be issued with a denomination above [].]

(Under current practices of Euroclear and Clearstream, Luxembourg, unless paragraph 21 (Form of Notes) below specifies that the Permanent Global Note is to be exchanged for Definitive Notes "in the limited circumstances described in the Permanent Global Note", Notes may only be issued in denominations which are integral multiples of the lowest Specified Denomination and may only be traded in such amounts, whether in global or definitive form.)

(Notes, including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)

- (ii) Calculation Amount: [●]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)

6. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
7. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
8. Interest Basis: [[●] per cent. Fixed Rate]
- [EURIBOR/LIBOR]+/- [●] per cent. Floating Rate]
- [Floating Rate: CMS Linked Interest]
- [Zero Coupon]
- (further particulars specified below in paragraph [13]/[14]/[15])**
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
10. Put/Call Options: [Investor Put]
- [Change of Control Put]
- [Issuer Call]
- [(further particulars specified below in paragraph [16]/[17]/[18])]**
- [Not Applicable]
11. (i) Status of the Notes: Senior
- (ii) [Date [Board] approval for issuance of Notes] obtained: [●] [and [●], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year

- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
13. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Period: [●]
- (iii) Specified Interest Payment Dates: [Not Applicable/[●]], subject to adjustment in accordance with the Business Day Convention set out in (v) below]
- (Note that this item adjusts the end date of each Interest Period (and consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 10(g) (Payments on business days) and the defined term "Payment Business Day".)*
- (iv) [First Interest Payment Date]: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (vi) Additional Business Centre(s): [Not Applicable/[●]]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal
- [[●] shall be the Calculation Agent]/[Not Applicable]

Agent]):

(ix) Screen Rate Determination:
(Conditions 7(c) and 7(d))

- Reference Rate: [EURIBOR/LIBOR/CMS Rate]
- Interest Determination Date(s): [●]
(in the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]
(in the case of a CMS Rate where the Reference Currency is other than euro): [Second [specify type of day] prior to the start of each Interest Period]
- Relevant Screen Page: [●]
(Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions)
- Relevant Time: [●]
- Relevant Financial Centre: [●]

(x) ISDA Determination:
(Condition 7(e))

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- [ISDA Definitions: [2006]

(xi) Linear Interpolation: Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]

(xiv) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]

(xv) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(i) Accrual Yield: [•] per cent. per annum

(ii) Reference Price: [•]

(iii) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

15. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [•] per Calculation Amount

(b) Maximum Redemption Amount: [•] per Calculation Amount

(iv) Notice period: [•]/[Not Applicable]

16. **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount

(iii) Notice period: [•]/[Not Applicable]

17. **Change of Control Put:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

- [(i) Change of Control Redemption Amount(s) of each Note: [●] per Calculation Amount]
18. Final Redemption Amount of each Note [●] per Calculation Amount
19. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [[●] per Calculation Amount]/[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]*
- [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- (*Notes may only be issued pursuant to this option in amounts equal to the Specified Denomination or integral multiples thereof)*
21. New Global Note: [Yes] [No]
22. Additional Financial Centre(s): [Not Applicable/[●]]
23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of Ferrovie dello Stato Italiane S.p.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [The official list of the Irish Stock Exchange]/[Not Applicable]⁵

(ii) Admission to trading: [Application [has been/is expected to be] made for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from [●]]/[Not Applicable.]⁶

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

(iii) Estimated total expenses of admission to trading: [●]/[Not Applicable]⁷

2. RATINGS

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[Standard & Poor's: [●]]

[Fitch: [●]]

[[Other]: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Option 1 - CRA established in the EEA and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is

⁵ Insert "Not Applicable" where the Notes are not to be listed.

⁶ Insert "Not Applicable" where the Notes are not to be admitted to trading.

⁷ Insert "Not Applicable" where the Notes are not to be admitted to trading.

established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not

established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to Base Prospectus under Article 16 of the Prospectus Directive.)]

4. **[Fixed Rate Notes only – YIELD**

Indication of yield: [●]

[The yield is calculated at the Issue Date on the basis of the issue Price. It is not an indication of future yield]

5. **[Floating Rate Notes only — HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/CMS Rate] rates can be obtained from [Reuters].]

[Benchmarks

Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR").

[As far as the Issuer is aware, [[[●] does/do] not fall within the scope of the BMR by virtue of Article 2 of that regulation] / [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [●] is not currently required to obtain authorisation or registration.]

6. **[REASONS FOR THE OFFER**

[if not for general corporate purposes, for example, for an Eligible Green Project]]

7. **[THIRD PARTY INFORMATION**

[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.] To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.]

8. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Delivery Delivery [against/ free of] payment

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem

eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

9. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated: [Not Applicable]

(a) Names and addresses of Managers and underwriting commitments: [●]

(b) Stabilising Manager(s) (if any): [Not Applicable/[●]]

(iii) If non-syndicated, name and address of Dealer: [Not Applicable/[●]]

(iv) U.S. Selling Restrictions: [TEFRA C/TEFRA D/TEFRA not applicable]

(v) [Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January

2018 and the Notes may constitute "packaged" products, "Applicable" should be specified.)]

ANNEX 2

LITIGATION AND DISPUTES

Judicial Investigations and Proceedings (Arbitration, Antitrust Proceedings and Proceedings before the Public Contracts Supervisory Authority; Administrative Litigation)

In relation to the most significant judicial investigations and proceedings initiated by some public prosecutors' offices against former representatives of the Group companies, to date no events have been reported which the Issuer believes could lead to either Group companies themselves or the Group being exposed to material liabilities or losses, nor is the Group aware, at present, of events that could considerably affect their economic, financial and equity position. Furthermore, in cases where circumstances existed, the Issuer appeared as an aggrieved party to recover damages.

In 2017, following criminal proceedings initiated by the public prosecutors against former or current group company representatives, there were no definitive rulings against senior management (company officers or general managers) for any of the following:

- particularly serious negligent criminal acts entailing significant damage to the concerned Group company or resulting in the application of disqualification measures;
- negligent criminal acts covered by Legislative decree no. 231/2001; and
- additional negligent criminal acts covered by Law no. 190/2012.

To meet disclosure requirements, the paragraph below includes information on criminal proceedings and contingent assets and liabilities arising from the most significant civil, administrative and arbitration proceedings and proceedings before the Italian and EU authorities.

Litigation pursuant to Legislative decree no. 231/01

- Hearings are underway in criminal proceedings No. 2554/13 in the general register of crimes at the Foggia Court (merged with criminal proceedings No. 3253/2010 in the general register of crimes) against RFI S.p.A. for administrative liability pursuant to Legislative Decree No. 231/01 and one of its employees and two employees of Fersalento S.r.l. The proceedings concern the fatal workplace accident on 5 March 2010 at Agro di Cerignola, in which an employee of Fersalento S.r.l. died.
- With respect to criminal proceedings no. 6305/09 in the general register of crimes pending before the Public Prosecutors' Office at the Lucca Court, following the railway accident in Viareggio on 29 June 2009, at the 31 January 2017 hearing, the judge read the first-level ruling. For the Group, the Court found that FS and FS Logistica S.p.A. (as of the date of this Base Prospectus, Mercitalia Logistics S.p.A.) had not committed administrative liability violations pursuant to Legislative decree no. 231/2001 "because there is no crime" and acquitted, "because they did not commit the crime", FS' former pro-tempore CEO for the allegations against him in his position as pro-tempore CEO, FS Logistica S.p.A.'s former CEO and former Chairman, and five RFI S.p.A. officials. However, it found Trenitalia S.p.A. and RFI

S.p.A. guilty of administrative violations pursuant to article 25-*septies* of Legislative decree no. 231/2001, fined them €700 thousand each and prohibited them from advertising their goods and services for three months. The Court also issued guilty rulings for 12 natural persons within the Group, including two of RFI S.p.A.'s former pro-tempore CEOs who succeeded each other between 2001 and 2009 and Trenitalia S.p.A.'s former pro-tempore CEO, in addition to another 11 natural persons and three companies outside the Group for violations of Legislative decree no. 231/2001, while one person was found not guilty. The Court also ordered the guilty parties, jointly and severally and with the related civil liability, to pay damages (in addition to court and defence costs) to the aggrieved parties that had filed the lawsuit, submitting most of the damages to the civil court judge for liquidation, while ordering payment of an advance on the damages at the same time. The natural persons and companies found guilty, as well as the public prosecutor and the aggrieved parties, have filed appeals against the Court's ruling.

- Arguments are being heard in criminal proceedings No. 7906/2009 in the general register of crimes with the Public Prosecutors' Office at the Latina Court concerning alleged injuries due to negligence in connection with alleged violations of anti-accident legislation (following an accident that occurred on 10 August 2009). Three of RFI S.p.A.'s officials are being investigated, in addition to the company itself for the alleged violation of Legislative Decree No. 231/01. At the hearing on 14 December 2017, the Court dismissed the case against all the subjects of the investigation, as the crime has become time-barred.
- In the criminal proceedings No. 1430/2014 in the general register of crimes with the Public Prosecutors' Office at the Gela Court, RFI S.p.A. has been charged with administrative liability in connection with the accident resulting in the death of 3 maintenance employees of RFI S.p.A. occurred on 17 July 2014 between the stations of Falconara and Butera. The trial is on-going.
- Criminal proceedings No. 3566/2015 in the general register of crimes with the Public Prosecutors' Office at the Rimini Court are pending in relation to the accident that occurred on 5 March 2015 in which an employee of A.T.S. Costruzioni was injured while working at OMC Locomotive in Rimini. Trenitalia S.p.A. has been charged with the administrative crimes covered by articles 5 and 25-*septies*, paragraph 3 of Legislative Decree No. 231/01, as the negligence that led to the injuries was allegedly committed in violation of anti-accident and health protection in the workplace legislation.
- Criminal proceedings No. 20765/2014 in the general register of crimes are pending before the Florence Court in reference to the operating accident that occurred on 12 January 2014 during rolling stock shunting operations. One employee working as a signalman at the watchtower at the entrance to where train carriages are kept lost his life in the accident. The preliminary hearing is being held against two managers and two employees of Trenitalia S.p.A. (charged with negligent manslaughter for violations of anti-accident legislation, and Trenitalia S.p.A. is also charged with administrative liability following a crime covered by articles 5, letters a) and b), and 25-*septies* of Legislative Decree No. 231/01. Following the request to send the case to trial filed by the public prosecutor in connection with the above mentioned natural persons and Trenitalia S.p.A., the preliminary hearing phase of the proceeding has started. The judge of the preliminary hearing has ruled to send all the defendants to a

trial hearing held on 10 November 2017 in front of the I Criminal Section of the Florence Court. The trial is on-going.

- Criminal proceedings No. 1525/08 in the general register of crimes (the “Truck Center” case) relate to negligent manslaughter due to violations of anti-accident legislation. The first-level proceedings were concluded with certain Mercitalia Logistics S.p.A. (previously known as FS Logistica S.p.A.) officials found guilty, along with the company itself, for both third party liability and violations of Legislative decree no. 231/2001. The court ruling has been appealed. The Bari Court of Appeal has acquitted the Mercitalia Logistics S.p.A. and its employees as they do not commit the crime. As a result of this ruling, the €1.4 million administrative sanction issued by the first instance court against Mercitalia Logistics S.p.A. has been revoked. The court of appeal will file the reasons for the ruling.
- In the context of the criminal proceedings no. 5643/10 in the general register of crimes pending before the Sassari Court against RFI S.p.A. - for third party and administrative liability – and three of its employees relating to a fatal accident involving the driver of train 8921 when it hit an obstacle on the tracks after an exceptional, unexpectedly large mudslide, on 30 September 2017 the reasons for the ruling issued on 28 June 2017 by the Court was made available: in connection with the administrative liability of RFI S.p.A. claim, the Court has acknowledged that RFI S.p.A. has adopted and effectively implemented an organisational and management model adequate to prevent crimes similar to the one allegedly occurred, and has ruled out any RFI S.p.A.’s interest or economic advantage in connection with the alleged crime. In connection with the liability claims against the sentenced officers of RFI S.p.A., the Court has ruled that the event occurred was foreseeable and avoidable through the adoption of required prevention measures. The RFI S.p.A.’s officers sentenced have filed an appeal, while the ruling on the claim against RFI S.p.A. for administrative liability is final as it has not been appealed by the public prosecutor.
- Criminal proceedings no. 1933/2011 in the general register of crimes with the Public Prosecutors’ office pending before the Latina Court were initiated following the fatal accident on 25 February 2011 involving an employee of an outside company on the Campoleone-Cisterna di Latina section of track. At the preliminary hearing held on 10 October 2017, RFI S.p.A. has been acquitted from the administrative liability pursuant to Legislative Decree No. 231/01 claim made by the public prosecutor, as the required elements of the company’s interest or advantage from the crime have not been ascertained. The judge sent to trial the other natural persons defendant and the trial is on-going.
- Criminal proceedings no. 1758/2014 in the general register of crimes before the Milan Court relate to alleged violations of the legislative limits established for the drainage of industrial waste water in public sewers at an industrial plant in Milan. In these proceedings, charges have currently been lodged against one manager of Trenitalia S.p.A. and Trenitalia S.p.A. itself for liability under Legislative decree no. 231/01 in relation to the same alleged environmental violations. The trial is on-going.
- In the criminal proceedings no. 6769/2015 in the general register of crimes with the Public Prosecutors’ office pending before the Perugia Court, on 23 May 2017 the prosecutor issued the request to committal to trial notified to, *inter alia*, Busitalia Sita-Nord S.r.l. in connection with the alleged administrative liability arising from the

application of articles 5, 24 and 25 of Legislative decree no. 231/01 in connection with the crime set forth in article 640-*bis* of the criminal code. The preliminary hearing phase is on-going.

- Criminal proceedings no. 18773/2009 in the general register of crimes with the Public Prosecutors' office pending before the Bari Court involve Ferrovie del Sud Est e Servizi Automobilistici S.r.l. for alleged administrative liability pursuant to Legislative decree no. 231/01 in connection with the claim of international fraud (alleged to have occurred through the purchase in Poland of rolling stock at a price higher than its market value) against the former sole director of the company. Following the committal to trial of the natural persons involved and the company, the trial is on-going.
- Criminal proceedings no. 3651/18 in the general register of crimes with the Public Prosecutors' office pending before the Milan Court: on 25 January 2018, in Seggiano di Pioltello (near Milan), a railway accident occurred to the regional train no. 10452 managed by Trenord S.r.l., operating in the railway line between Cremona and Milan – Porta Garibaldi, resulting in the death of 3 passengers and injuries to other passenger. The Milan public prosecutor opened criminal proceeding involving as persons under investigation certain officers and employees of RFI S.p.A.: the chief executive director, the head of the *Direzione Produzione*, the head of the *Direzione Territoriale Produzione* (DTP) of Milan, the head of *Unità Territoriale Linee Sud – DTP Milano*, the head of the *Unità Manutentiva (UM) Lavori Brescia* and the *Specialista Cantieri Armamento* within the above mentioned *Unità Manutentiva*. In addition, the chief executive officer and the operations officer of Trenord S.r.l. are under investigation. The companies RFI S.p.A. and Trenord S.r.l. are drawn in the proceedings for administrative liability pursuant to Legislative decree no. 231/01. The public prosecutor claims against the natural persons are related to the crimes under articles 430 and 449, paragraphs 1 and 2 of the criminal code (unintentional railway disaster), articles 589, paragraphs 2 and 3 and 590, paragraphs 2, 3 and 4 of the criminal code (unintentional manslaughter and unintentional injuring with violation of the rules on the prevention of work-related injuries) and article 71 of Legislative Decree 81/08 (violation of the duties of the employer). As to the companies, the public prosecutor claim their administrative liability under article 25 *septies*, paragraphs 2 and 3 of Legislative decree no. 231/01 in relation to sanctions, in case of unintentional manslaughter and serious injuries, due to violation of the rules on the prevention of work-related injuries. RFI S.p.A. has appointed its attorney and a technical adviser. In relation to the any liability that may arise, the Group has already triggered its insurance policies.

Other significant criminal court proceedings

- Criminal proceedings no. 3034/2012 in the general register of crimes previously with the Public Prosecutors' Office at the Rossano Court and subsequently transferred to the Castrovillari Public Prosecutors' Office relate to a fatal accident in which a train hit a car with six people inside it at the private railroad crossing on the Rossano C. - Mirto Crosia section. The Public Prosecutor has issued a notice that the preliminary investigations against RFI S.p.A. managers and employees (some of whom are pensioners) and non-FS Group parties have been concluded.

- Criminal proceedings no. 6765/2012 in the general register of crimes with the Brindisi Court are pending with the Lecce Court of Appeals in connection with a claim relating to an accident involving the Freccia Argento train no. 9351 and a lorry on 24 September 2012 at the railroad crossing on the Bari - Lecce section near the Cisternino (BR) station. In these proceedings, RFI S.p.A. and Trenitalia S.p.A. have joined the criminal proceedings as a civil party claiming damages. The non-group defendant found guilty has appealed against the Brindisi Court ruling of 21 October 2014.
- Criminal proceedings no. 35874/13 in the general register of crimes with the Public Prosecutors' Office at the Rome Court originated from alleged violations of Legislative decree no. 81/2008 in connection with the introduction of the "single driver" module which, according to the accusations, allegedly weakened the measures in place to prevent risks in emergencies and/or first aid situations involving the train driver while the train is operating. The Rome Public Prosecutor directly summoned Trenitalia S.p.A.'s former CEO and Director of Frecciarossa. At the hearing held on 26 June 2017, the court ruled in favour of the request for payment of a fine *in lieu* of the penalty made by the defendants: the court has ascertained that Trenitalia S.p.A. has adopted all care and has implemented an adequate system for the removal of risks connected to the presence of only one driver in the driving cabin. On 28 July 2017 the last hearing was held. The Court, following its deliberation in council chamber, has ruled on the extinguishment of the crimes for which a fine *in lieu* of the penalty has been paid and the acquittal for the remaining claims as the facts do not constitute crimes. The Court rejected the requests of the civil parties to be indemnified of the expenses borne to participate in the proceeding.

Arbitration proceedings with general contractors

- Giovi third railway crossing: RFI/COCIV arbitration. RFI S.p.A. appealed against the award, concerning the development of certain designs previously completed by the COCIV consortium, COCIV lodged a cross appeal. The proceedings are still pending (the hearing of conclusions was postponed to 24 May 2018). Reference should be made to the 2016 annual report for additional details.
- Sub-section AV/AC Novara-Milan: RFI-FCA arbitration. Following the appeal against the award which involves part of the reserves advanced by FCA in the course of work, the proceedings, which were commenced by FCA, are now pending before the Supreme Court following such appeal by RFI. Proceeding for revocation of judgement lodged by FCA before the Rome Court of Appeal is also pending (the hearing for clarification of the conclusions is postponed to 6 June 2018).

Civil and administrative proceedings

- Unionlog S.p.A. c/ RFI SpA. On 28 March 2017 Unionlog S.p.A. commenced proceeding against RFI before the Civil Court of Rome in order to: (a) ascertain and seek a declaration in respect of RFI's pre-contractual liability concerning the opening of a rail link at Secugnago Station; (b) seek an order for RFI to pay Unionlog's damages for the conduct of RFI, quantified by the claimant for a total of €5,702,700.88 (€3,105,700.88 for loss of profit and €2,597,000 for emerging damage). The hearing indicated in the writ of summons, originally scheduled for 6

July 2017, has been postponed to 20 September 2017; RFI has provided for the constitution in court.

- K2 Discount pursuant to Ministerial decree no. 44T/2000. With respect to that indicated in the previous annual reports, to which reference should be made for additional details, in relation to the two cases currently pending before the Lazio regional administrative court against URSF (the office that regulates railway service) decisions no. 18/2006 and 83/2007, a public hearing was held on 14 June 2017. Following a brief discussion of the attorneys of the parties, the case is subject to the decision of the court. With respect to the appeal filed by the railway companies petitioning for compliance with the Council of State's decision cancelling DM 92T, on 26 September 2016, the ad Acta Commissioner's delegate issued a conclusive report on the outcome of the preliminary investigations, specifying that the K2 discount period began on 1 January 2006 and ended on 30 June 2009, except for the traffic produced using rolling stock that, before 30 June 2009, met the conditions for a single driver (equipped with ground sub-system technologies, installation of the connected on-board signalling system and the issue of rules and procedures governing how single-driver trains are operated). The ad Acta Commissioner's delegate then quantified the individual amounts, including interest accrued at the legal rate up to 30 September 2016 and separated from self-applied discounts, to be paid to the four appellant railway companies affected by the order to comply (namely, Rail Traction Company, NordCargo, SBB Cargo and DB Schenker) totalling approximately €20 million (which, net of the amount already withheld by the appellant companies, will entail covering the balance of roughly €12.6 million). The company recognised a liability of the same amount to the railway companies and an asset of the same amount from the MEF, against an accrual of €30 million in the 2015 update to the GPC-I for "charges arising from the application of Ministerial decree no. 44T/2000" as part of the overall accrual for "train operating and efficiency technologies". Finally, the company has recalculated and increased the provision to cover any interest and related charges to be incurred should it be ordered pending reimbursement of the amounts that, in the first level decision, it might be ordered to pay eligible railway companies. Following the deposit of the conclusive report of the ad Acta Commissioner's delegate, RFI S.p.A. proposed the commencement of talks with the four appellant railway companies, in which the MIT will also participate, to quickly settle the matter, which may include the negotiation of settlement agreements between the parties; such proposal has unfortunately not achieved the expected results. As a result the four appellant railway companies have promoted a new legal proceeding by notifying MIT and RFI, on 3 April 2017, a recourse before the Council of State for additional reasons in order to obtain clarification on the compliance with the decision in respect of the K2 discount matter (with particular reference to the way in which the ad Acta Commissioner's delegate conclusive report was adopted) or, subordinately, the compensation for damage for the non-performance of the decision, whose hearing has been scheduled on 19 October 2017.
- Appeal against ART resolution no. 70/2014. Various FS Italiane group companies (RFI S.p.A., Grandi Stazioni S.p.A. and Centostazioni S.p.A.) lodged three extraordinary appeals with the President of Italy against ART resolution no. 70 of 31 October 2014 "Regulation for fair and equal access to railway infrastructures and commencement of proceedings to define the criteria for the definition of the toll to use railway infrastructures"). Initially lodged with the Lazio regional administrative court,

the appeals were then transferred to the Piedmont regional administrative court where RFI S.p.A.'s and Grandi Stazioni S.p.A.'s cases were summarised. Trenitalia S.p.A. appeared in both proceedings on 5 May 2016. During the 15 March 2017 public hearing in front of the Piedmont regional administrative court, the court decided to hear and rule on only on RFI S.p.A.'s appeal, and to postpone the hearing about Grandi Stazioni S.p.A.'s and NIV S.p.A.'s appeals to 28 June 2017, due to the need to carry out certain investigations by the ART and RFI S.p.A., which have been completed within the time limits set forth. At the outcome of the aforementioned public hearing on 21 April 2017, with judgment no. 541/17, the TAR Piedmont partially rejected and declared partially inadmissible the extraordinary appeal with the President of Italy (then transposed in front of the TAR) brought by RFI S.p.A. against the ART resolution no. 70/2014. During the hearing held on 28 June 2017, following the discussion of the case, Grandi Stazioni S.p.A.'s appeal has been put to the decision of the court, while NIV S.p.A.'s appeal has been adjourned to a hearing scheduled for 7 November 2017.

- Appeal against ART resolution no. 96/2015. With an extraordinary appeal before the President of Italy, RFI S.p.A., Trenitalia S.p.A. and the former Grandi Stazioni S.p.A. appealed against ART resolution no. 96 of 13 November 2015 containing the principles and criteria for determining the fees to access and use the railway infrastructure. Their appeals were transferred to the Piedmont regional administrative court. RFI S.p.A. also appeared in the proceedings pending before the Piedmont regional administrative court for the railway transport operator Nuovo Trasporto Viaggiatori S.p.A.'s appeal against the same ART resolution no. 96/2015. During the hearing of 15 March 2017, the judge postponed discussion of Trenitalia S.p.A.'s appeal to the hearing scheduled for 28 June 2017. Since June 2016, while the FS Italiane group companies' appeals were pending, the ART resumed adjusting the fees to access and use the railway infrastructures by passing resolutions no. 72/2016, no. 75/2016 and no. 80/2016. These resolutions were also appealed by Trenitalia S.p.A. and other railway transport companies. In particular, with a brief presenting additional grounds, in September 2016, Trenitalia S.p.A. appealed against resolutions no. 72 and no. 75/2016. The hearing to discuss the precautionary injunction was held on 11 October 2016 in which the panel suggested, considering the complexity of the matter, discussing the merits of the case and postponing the proceedings to the public hearing of 15 March 2017, when they were postponed again to 28 June 2017. As for resolution no. 80/2016, Trenitalia S.p.A. lodged its appeal individually before the Piedmont regional administrative court. During the first public hearing held on 15 March 2017, the Piedmont regional administrative court postponed the discussion of the appeal and the related documents to the hearing scheduled for 28 June 2017. At such hearing, NIV S.p.A. has informed that it has filed a new appeal under additional grounds against the ART resolution no. 96/2015, therefore the court has adjourned to a hearing scheduled for 7 November 2017 for the discussion of: (a) NIV S.p.A.'s appeal against the ART resolution no. 96/2015; (b) Trenitalia's appeal against the ART resolution no. 96/2015 and the additional grounds against ART resolution no. 75/2016. The appeals lodged by the freight railway companies against ART resolutions 75/2016 and 80/2016, without discussion of the cases, have been put to the decision of the court.
- On 27 January 2017, RFI was notified, as defendant, of proceedings brought before the TAR of Lombardy, Milan, by Serfer Servizi Ferroviari S.r.l. for the annulment,

subject to the grant of monocratic precautionary measures and the suspension of the measures previously taken to carry out the competitive procedure that RFI had to establish on the basis of the resolutions adopted by the ART (Resolutions no. 70/2014 and 104/2015), aimed at identifying the sole manager of the Lecco Maggianico and Milano Segrate service facilities. The aforementioned competitive procedure ended on 28 November 2016 with the definitive award made in favour of both TS Traction & Service S.r.l. (the other party in the aforementioned appeal). By a decree published on 1 January 2017 the TAR of Lombardy - Milan has accepted the request submitted by Serfer Servizi Ferroviari S.r.l. to suspend the effects of the award decision in favour of TS Traction & Service S.r.l., ordering such party not to enter into any contract for rail transport services in the two service facilities of Lecco Maggianico and Milano Segrate until the end of the relevant precautionary hearing, for which the council chamber had been fixed for 23 February 2017. By way of a subsequent decision dated 21 April 2017, the TAR of Lombardy - Milan declared the appeal brought by Serfer Servizi Ferroviari S.r.l. inadmissible for late notification of the same, with a consequent order for costs, totaling Euro 3,000.00 plus legal expenses, in favour of each of the parties constituted, i.e. RFI and TS Traction & Service S.r.l. Such ruling has been appealed by Serfer Servizi Ferroviari S.r.l. in front of the Council of State.

- Through separate appeals, Consorzio Stabile Vitruvio (appeal notified on 15 May 2017, in front of TAR of Sicily – Catania) and CBL Insurance Europe Designated Activity Company (appeal notified on 19 April 2017, in front of TAR of Lazio – Rome with reference to two separate tender procedures) have challenged the FS Group’s internal rules on the admissibility and/or approval criteria for the selection of the operators providing guarantees.

Proceedings before the Italian and EU authorities

- Antitrust Authority proceedings A/495. On 15 June 2016, the Antitrust Authority resolved to begin a preliminary investigation against Busitalia Veneto S.p.A. (Busitalia Veneto) and Busitalia Sita Nord S.r.l. (Busitalia SN), as well as against APS Holding SpA (APS), to ascertain whether there was a violation of article 102 of the Treaty on the Functioning of the European Union and article 3 of Law no. 287/1990 concerning the abuse of a dominant position. At the same time, the Authority authorised surprise inspections at the Busitalia SN’s and Busitalia Veneto’s Rome, Florence and Padua offices, which took place on 23 June 2016. The Antitrust Authority’s initiative is part of the relevant government body/contracting station’s preparation of documentation for the tender to assign urban and suburban car and tram services in the province of Padua. In the measure notifying the commencement of the preliminary investigation, the authority charged Busitalia Veneto, which manages the transport services subject to the future tender procedure, and its shareholders Busitalia SN and APS with using practices meant to delay the preparation of tender documentation, which included the omission of information and the delayed transmission of necessary data/pieces of information. The Authority also charged the companies with exerting allegedly undue pressure on the Padua provincial authorities to obtain authorisation to increase the prices of tickets sold electronically, i.e. SMS tickets. As for the first practice, the Antitrust Authority threatened to take, pursuant to article 14-*bis* of Law no. 287/1990, provisional precautionary measures against the parties in the proceedings. However, following the information and clarifications received, on 20 July 2016, the Authority resolved not to

take precautionary measures against Busitalia SN and Busitalia Veneto (Antitrust Authority measure no. 26129 of 20 July 2016). On 14 December 2016, Busitalia SN and Busitalia Veneto proposed certain remedies in terms of conduct that, upon the outcome of the preliminary assessment of “no clear lack of grounds”, were published on the Authority’s website to enable the concerned third parties to submit any observations (i.e., market tests). Once the observations submitted in the market tests were considered, Busitalia SN and Busitalia Veneto proposed certain accessory changes to commitments. On 11 May 2017, the Authority has accepted the commitments proposed by Busitalia SN and Busitalia Veneto and the termination of the proceeding without ascertaining any infraction. The (mandatory) implementation of such measures will be notified to the Authority in accordance with the timeline determined by the final decision.

- Antitrust Authority proceedings PS/10578. On 15 November 2016, the Antitrust Authority informed Trenitalia S.p.A. of the commencement of preliminary proceedings, alleging that it breached Consumers’ Rights Code regulations protecting against unfair business practices, and at the same time carried out inspections at Trenitalia’s premises. In short, the Authority alleges that the section “*Tutti i treni*” of the search window on the website www.trenitalia.com (which is the default option) does not show all the trip options included in the specific windows “*Frecce*” and “*Treni Regionali*” and, when showing results, cheaper options represented by regional services are not showed therein. The Authority alleges that customers would then be induced to purchase more expensive options (for example, trip options with the “*Freccia*” trains), which would constitute an unfair business practice. In addition, the Authority alleges that the Trenitalia app and the automatic ticket booths would not allow customers the possibility to opt trains under the groups “*Tutti i treni*”, “*Frecce*” and “*Treni Regionali*”, as the latter is not shown as an option. The Authority alleges that such actions would impact the public service obligations imposed on Trenitalia S.p.A. in the regional transport segment and, partly in the medium and long haul transport segment. Specifically, it claimed that the practice was “aggressive” under articles 24 and 25 of the Consumers’ Rights Code. Within the deadlines established in the proceedings, Trenitalia S.p.A. has: (i) filed petitions to obtain the confidentiality of the documents that were gathered during the inspection, in order to protect any sensitive information from third parties; (ii) provided a response with respect to the Antitrust Authority’s request for information when the preliminary proceedings began; and (iii) submitted briefs and documents to justify that its conduct was appropriate. Furthermore, with two notes dated December 2016 and January 2017, while confirming that its conduct was legitimate, Trenitalia S.p.A. formulated a series of commitments to remedy the practices that the Antitrust Authority deemed were improper in the preliminary evaluations when the proceedings began. With its resolution of 7 February 2017, the Antitrust Authority did not accept the company’s proposed commitments, ordering the preliminary proceedings to continue. Following the conclusion of the preliminary investigation phase of the proceeding and the confirmation of the allegations raised at the commencement of the proceeding (in accordance with the communication of the Authority dated 23 May 2017), Trenitalia S.p.A. on 12 June 2017 has filed a defendant brief with the Authority in order to state the lack, in the specific case, of the elements constituting unfair business practices pursuant to the Consumers’ Rights Code. Originally scheduled for 8 April 2017 and later extended, in the first instance, to 7 June 2017, and then to 22 July 2017, the Authority has taken its final decision on this case.

- On 16 June 2016, the European Commission has published its decision to authorise the state aid regime, challenged against Greece in 2011, in relation to certain public support measures aimed at restructuring OSE SA – the company managing the Greek railway network – and Trainose SA – company operating the freight and passenger service in Greece. The European Commission stated that the measures taken are in line with EU state aid rules as they aim at preventing a serious disturbance of the Greek economy and providing better services to Greek passengers and customers.
- On 29 June 2016, the Court of Justice of the European Union has ruled on the case C-482/14 – European Commission against the Federal Republic of Germany in connection with the accounting separation of railways; Italy and Latvia intervened in the proceeding, supporting certain arguments of the German government. With respect to the four objections raised against the defendant, the Court of Justice of the European Union has ruled that the Federal Republic of Germany failed to fulfil its obligations only in connection with the conditions of account-keeping of the manager of the railway infrastructure which, by not accounting separately for the public grants received, does not allow a verification of compliance with the prohibition to transfer such subsidies to providers of transport services. However, the Court of Justice of the European Union has rejected the European Commission’s allegations relating to the transfer of profits of the manager of the railway infrastructure to its parent company and the obligation to publish a separate accounting for each public service contract.