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FS ITALIANE: ISSUED EURO 600 MILLION INAUGURAL GREEN BOND ISSUANCE

- **great success, demand exceeded 1.3 billion euro**
- **orders from 115 investors, of which more than 60% foreign**
- **around 50% of final orders from institutional investors with sustainability commitment**
- **coupon fixed at 0.875%**

Rome, December 1st 2017

Ferrovie dello Stato Italiane (S&P BBB, Fitch BBB both stable) has successfully placed its inaugural green bond, being the first European green bond issuance of an incumbent railway operator to finance both new regional and high speed trains ever in the market. The transaction, priced yesterday November 30th, has a nominal value of € 600 million and a 6 years tenor.

Notably, as per FS Italiane Green Bond Framework the proceeds from the bond issue will be used for the Public Transport Rolling Stock Renewal as follows:

- New Electric Multiple Unit (EMU) trains for regional passenger transport;
- New High speed Trains “ETR 1000”.

Both category of projects ensure energy efficiency improvements, carbon emissions reduction and modal shift to rail in the local public and long distance transport market, as well as contribute, among others, to the improvement of air quality and the comfort of passengers.

The transaction took place after a pan-European roadshow with stops in Paris, Munich, Frankfurt, Amsterdam and the Hague. Demand exceeded 1.3 billion euro from 115 investors, of which more than 60% from foreign investors; according to FS analysis, around 50% of final orders were from institutional investors with sustainability commitment.

The execution allowed FS Italiane to set coupon at 0.875%, that represents the lowest coupon ever obtained by FS Italiane in a public bond in the capital markets. The final spread was set at mid swap +52 basis points, more than 10 basis points lower than the



initial price talk. It is equivalent to a spread of around 1.5 basis points under the BTP duration equivalent, at the books' closing.

“The success of this transaction confirms the positive perception from the capital market about the FS' creditworthiness and its development opportunities. Besides it is an endorsement of the FS Group's commitment for a sustainable mobility – says Mr. Renato Mazzoncini, CEO of FS Italiane. We've got acknowledgment from the markets that our sustainable approach relates to the whole life cycle of the rail transport, including the funding process. Sustainability principles are at the base of our strategic choices, indeed, with the 2017-2026 Industrial Plan, the FS Group has renewed and strengthened its ambition to develop a sustainable transport services that can create value for the community in a lasting way, through a process to transform the sector by facilitating the modal shift away from cars into less carbon intensive modes of transport.”

Crédit Agricole CIB and HSBC acted as Joint Structuring Green Advisors whilst Banca IMI, Barclays, Crédit Agricole CIB, Deutsche Bank, Goldman Sachs International, HSBC, J.P. Morgan and SG CIB, acted as Joint Lead Managers and Joint Bookrunners.

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