



Press Releases

UK, TRENITALIA: JOINT VENTURE WITH FIRSTGROUP FOR RAIL FRANCHISES

- **JV shares: 30% Trenitalia UK and 70% FirstGroup**
- **Bids for East Midlands e West Coast franchises**

Rome, 24th January 2017

Trenitalia UK Ltd, FS Italiane Group, and FirstGroup plc are pleased to announce that they will bid together for the **East Midlands** and **West Coast Partnership** rail franchise competitions announced by the British Department for Transport (DfT).

First Trenitalia East Midlands Rail Limited is the **joint venture between FirstGroup (70%) and Trenitalia UK (30%)**, which has today submitted an expression of interest to the DfT in respect of the East Midlands rail franchise competition.

The next East Midlands franchise will start in 2018 and will encompass major infrastructure enhancements and improvements in the franchise area. The main routes of the line are London – Derby – Sheffield, London – Nottingham, London – Corby, Liverpool – Sheffield – Nottingham – Norwich, in addition to regional services.

The West Coast Partnership franchise combines the current InterCity West Coast services between London-Manchester-Chester-Liverpool-Preston-Edinburgh-Glasgow, with the development and introduction of High Speed 2 services from London to Birmingham. The new franchise will be responsible for services on both the West Coast Main Line from 2019 and designing and running the initial high speed services from 2026. The franchise will run for the first three to five years of operation of HS2. Trenitalia will bid also for this franchise together with First, the expression of interest is expected for April 2017.

Both Trenitalia and FirstGroup hold 'Pre-Qualification Questionnaire Passports' with DfT Rail Executive which shows that they have satisfied basic financial and other competence criteria and allows them to submit franchise bids to Government. In December 2015, Trenitalia became the first new entrant to be awarded a PQQ Passport by the Department for Transport and since then is pursuing a number of franchise opportunities.

In January 2017 Trenitalia UK reached an in principle agreement with National Express to acquire the c2c franchise for 70 million pound. The c2c line operates from East London to Shoeburyness, on the Essex coast.

Commenting, Barbara Morgante, CEO of Trenitalia, said:

“We believe that the experience, competence, innovation and skills of our two companies, developed in international markets, represents a perfect mix to vie for these challenging bids. Trenitalia, in particular is ready to bring all its competencies, both from a technical and commercial side, developed in the highly competitive Italian market. Our proposal will be driven by our highly customer focused vision. Our recent agreement-in-principle for the acquisition of c2c also serves to transform us from a potential new comer into a convincing, and effective, player in the UK market, and will strengthen the Trenitalia-First partnership.

This partnership is a second milestone in our plan to expand in the UK rail passenger market, in line with the internationalisation plans of the entire FS Italiane Group.”

Commenting, Steve Montgomery, First Rail Managing Director said:

“We are pleased to announce that we will be partnering with Trenitalia to bid for the upcoming East Midlands and West Coast Partnership rail franchises. We have a strong track record in delivering continued modernisation and investment, alongside industry partners, through our rail operating companies Great Western Railway, TransPennine Express and Rail Operator of the Year, Hull Trains.

Both ourselves and Trenitalia have extensive expertise of running commuter, regional and long distance services such as those that make up the East Midlands franchise. Their knowledge will add further depth and understanding as we develop our proposals to deliver passenger benefits that take full advantage of the significant investment that government and the industry are making in the region’s rail infrastructure. Our proposals will keep people moving and communities prospering.

Similarly, Trenitalia have transformed the customer experience on Italy’s railways through their high speed Frecciarossa routes. They will be a world class bidding partner as we develop proposals to deliver excellent services for West Coast passengers and work closely with HS2 Ltd to deliver the best solutions for the new HS2 service whilst reducing crowding on the existing network and generate economic growth up and down the country.”

Trenitalia

Trenitalia is the passenger rail transportation company part of FS Italiane Group, a major industrial player with an increasing international presence, and growing profit (the net income rose +53.1% in 2015 over 2014). FS Group runs 8,000 trains a day, serving 600 million passengers and carrying 50 million tons of freight a year, over a network exceeding 16,700 kilometers. The Group’s objective is to develop a large-scale mobility and logistics project capable of contributing to the country’s economic growth. The holding company, FS Italiane, controls companies active in specific core businesses – all of which, in terms of safety levels and technological standards, are European leaders. Trenitalia, the Group’s rail transportation company, is one of Europe’s top railway operators, and manages passenger transport with its long haul connections, both on high speed (Frecciarossa) and conventional lines, as well as regional and metropolitan services. Other companies belonging to the FS Italiane Group include RFI, Busitalia, Italferr, Mercitalia, Ferservizi, Italcertifer, Centostazioni, GS Rail, FS Sistemi Urbani, Netinera Deutschland, TX Logistik and Thello.

FirstGroup

FirstGroup plc (LSE: FGP.L) is the leading transport operator in the UK and North America. With £5.2 billion in revenues and 110,000 employees, we transported around 2.2 billion passengers last year. Each of our five divisions is a leader in its field: In North America, First Student is the largest provider of student transportation with a fleet of around 47,000 yellow school buses, First Transit is one of the largest providers of outsourced transit management and contracting services, while Greyhound is the only nationwide operator of scheduled intercity coach services. In the UK, FirstGroup is one of Britain's largest bus operators running a fleet of some 6,200 buses, and we are one of the country's most experienced passenger rail operators, carrying around 140 million passengers last year.