

STATEMENT RE: SHORTLISTING FOR EAST MIDLANDS RAIL FRANCHISE COMPETITION

London, 1st march 2017

First Trenitalia East Midlands Rail Limited, the joint venture between FirstGroup plc ("FirstGroup") and Trenitalia UK Limited ("Trenitalia"), has today been shortlisted by the Department for Transport for the East Midlands rail franchise competition.

Commenting, Steve Montgomery, First Rail Managing Director said: *"We are partnering with Trenitalia to bid for the upcoming East Midlands rail franchise. 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. 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. Trenitalia's 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. We look forward to reviewing the franchise contract details and submitting an innovative and value for money bid which will keep people moving and communities prospering across the East Midlands?"*

Commenting, Barbara Morgante, CEO of Trenitalia, said: *"We believe that the experience, competence, innovation and skills of Trenitalia and FirstGroup, developed in international markets, represent a perfect mix to run the East Midlands franchise together. Trenitalia is proud and ready to bring all its competencies to the partnership, both from a technical and commercial standpoint, developed in the highly competitive Italian market. In addition to the recent c2c acquisition, our participation in the East Midlands bid confirms our strong commitment to the UK market. We look forward to passengers benefiting from our track record and ability to innovate and invest across all the rail transport value chain?"*

Notes

1. The next East Midlands franchise is due to start in November 2018 and will encompass major infrastructure enhancements and improvements in the franchise area.
2. Both FirstGroup and Trenitalia 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.

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 kilometres. 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. On February 13th 2017 Trenitalia completed the acquisition of the c2c franchise from National Express. 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 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.