

FS ITALIANE: 2018 ANNUAL REPORT CONSOLIDATED NET PROFIT: MORE THAN EUR 550 MILLION

- **Technical investments in 2018: around EUR 7.5 billion (98% of which in Italy and more than EUR 6 billion in railway and highway infrastructures).**
- **Consolidated operating revenues exceed EUR 12 billion**
- **Economic value distributed: EUR 9.9 billion**
- **EBITDA at EUR 2.5 billion**
- **EBIT at EUR 714 million**
- **Net profit equal to EUR 559 million**

Rome, 26th March 2019

The Board of Directors of the Ferrovie dello Stato Italiane approved today the Company's Annual Financial Report, including the consolidated financial statements of the Group as of 31st December 2018.

The Group's **operating revenues** exceeded EUR 10 billion for the first time in the FS Group's history, with an overall increase of EUR 2,785 million (up 30% on 2017) reaching over **EUR 12 billion**. **Operating costs** grew less than revenues (increasing EUR 2,622 million), following a decreasing trend in the second half of 2017 related to the saving policies pursued by the management.

Accordingly, the Group's **EBITDA** has grown to **EUR 2.5 billion** with an EBITDA Margin of 20.5%, whereas the **EBIT** was at **EUR 714 million** in 2018 with an EBIT Margin of 5.9%.

The net profit grew 1.3% in 2018 (EUR 559 million in 2018 and EUR 552 million in 2017). This increase would exceed 30% taking into account non-recurring operations as windfall profits (EUR 128 million in 2017) deriving from the new regulations on electrical energy for rail traction in the years 2015-2016.

The FS Italiane Group achieved, especially in the second half of 2018, a volume of **technical investments** equal to **EUR 7.5 billion** (98% of which in Italy). These investments contributed to the overall investment volume in the country and supported the development and the improvement of transport, infrastructure and logistic sectors.

The **economic value distributed**, mainly the sum of operating costs and employee wages and benefits, amounts to **EUR 9.9 billion** (81% of the direct economic value generated).

The activities and investments of the FS Group **contribute, directly and indirectly, to the growth of the Italian economy by 0.9% of GDP.**



The total number of Group employees has increased from 74,436 to **82,944**, also thanks to company acquisitions.

The Group further strengthens its high level of **financial solidity**, with an equity close to EUR 41.8 billion at the end of 2018 (EUR 3.1 billion increase on 2017).

The **Net Financial Position (NFP)** stands at EUR **6.7 billion**, improved by EUR 618 million compared to 31st December 2017, maintaining the NFP/EBITDA ratio at 2.7 and the NFP/Equity ratio at 0.2. The Group's financial solidity is also reflected in the rating (BBB) issued for Ferrovie dello Stato Italiane by Fitch and Standard & Poor's during the autumn of 2018.

Once again, the main operating segments contributed to the positive performance of the FS Italiane Group. In particular, the infrastructure sector - with Rete Ferroviaria Italiana as the first operating entity, followed by Anas - with a net profit of EUR 399 million in 2018 and the transportation sector - where the leading company Trenitalia is followed by the Mercitalia and Busitalia groups, respectively in the freight and bus transport businesses, and Netinera Deutschland, operating in local and metropolitan transport in Germany - with a net profit of EUR 190 million in 2018.

The FS Italiane Group therefore brings the **commitment in the passenger transport business** back to its core activities and its strategic plans, with new services and a particular attention to local and regional transport (technical investments equal to EUR 525 million). The renewed centrality of the customer, also through the new contracts with the Regions, commits Trenitalia in ensuring an improved customer satisfaction and a better quality service with new trains, punctuality and travel comfort, also through the rolling stock's revamping and restyling.

From the infrastructural point of view, the main objectives that the FS Italiane Group is committed to pursue are "security", "punctuality and reliability", "performance upgrade", "efficiency, innovation and sustainability".

A summary document on the main results achieved by the FS Italiane Group in 2018 is available at the **Investor Relations** online section.

The Manager in charge of the Company's accounting documents preparation, Roberto Mannozi, declares, pursuant to article 154-bis, paragraph 2, of the Legislative Decree No. 58/1998, that the accounting information included in this press release correspond to the Company's evidence and accounting books and records.