

METRO 5: SIGNED DEBT RENEGOTIATION WITH A SPREAD REDUCTION ABOVE 40%

Milan, May 8th 2019

Metro 5 has closed the renegotiation of nearly Euro 500 million long term debt (maturity 2035) reaching above 40% spread reduction as compared to the former applying. Signing took place 4 years later the financial closing dated April 2015.

Benefits arising from renegotiation have been shared between Metro 5 and the Municipality of Milan. The latter has seen a reduction of the Availability Payment (“Canone di Disponibilità”) above Euro 1 million per year with an overall saving of about Euro 40 million up to the end of concession period (2041).

The improvement achieved by Metro 5 is mainly due to the continuous dialogue with all the lenders and thanks to the completion of construction phase together with the strong financial and operating performances and the international standing of its shareholders.

Renegotiation process started in the first semester of 2018 following the acquisition of 36,7% of Metro 5 shares by Ferrovie dello Stato Italiane dated June 2017. The process ended successfully thanks to the strong and renewed interest in the project shown from all the lenders and notwithstanding the market turmoil on Italian sovereign debt occurred during the same period.

Debt was hold nearly 70% by nine national and international banks (BNP Paribas, IMI, Monte dei Paschi di Siena, Société Générale and Unicredit acting as Working MLA together with BBVA, Credit Agricole, Natixis and UBI), Cassa Depositi e Prestiti and for the remaining amount by institutional investors via project bond.

An infrastructure project developed under Public Private Partnership (PPP) guided by efficiency and good performances, together with the Metro 5 shareholders’ standing have created the basis for project finance to distribute value among all the stakeholders.

Given its contribution, Metro 5 wishes that the Grantor will take into account such achievement and is willing to support the Local Bodies involved in the extension of the Metro Line toward Monza playing a leading role in the realization and the potential financing of the infrastructure.

During the renegotiation process, Metro 5 has been supported by legal and financial advisors, respectively DLA PIPER and Arcus. Bonelli Errede assisted banks and other investors.