

FS ITALIANE, BUSINESS PLAN WORTH 58 BILLION IN INVESTMENTS

- 42 billion in infrastructure, 12 billion in new trains and buses, 2 billion in subways, 2 billion in other technologies
- €16.9bn revenue, €3.3bn EBITDA, €800m net income in 2023
- up to 0.9% annual contribution to Italian GDP
- every year +90 million passengers, -400 thousand cars and -600 million kg CO2

Rome, May 10th 2019

The new 2019-2023 Industrial Plan of the FS Italiane Group sets out investments of **58 billion** euros.

This record commitment for an unprecedented amount confirms the Group's position as the leading investor in Italy, with peaks of up to **13 billion** per year (+75% compared to 7.5 billion in 2018).

This move, **24% of which is supported by Group resources**, will contribute to Italian growth by creating **120,000 jobs** a year, **15,000 direct hires** over five years and an **annual contribution to the increase in GDP** of between **0.7% and 0.9%**. Revenues will reach 16.9 billion euros in 2023, EBITDA 3.3 billion euros and net income will reach 800 million euros.

FS Italiane's strategy focuses on the needs of **people**, travellers and employees, after a decade in which the Group has first focused on the launch of new HS services and then on the integration of different modes of transport. Our goal is to **transform collective mobility** in Italy, significantly improving the level of service to people, with a strong leap in the **quality** and **customisation of the offer**. Estimated growth per year is **90 million more passengers** and, as a result, less than 600 million kilograms of CO2 and 400 thousand cars on the roads.

The 2019-2023 Business Plan of the FS Italiane Group was presented today by **Gianfranco Battisti**, Chief Executive Officer and General Manager, and **Gianluigi Castelli**, Chairman. The President of the Council of Ministers, **Giuseppe Conte**, the Minister of Economy and Finance, **Giovanni Tria**, and the Minister of Infrastructure and Transport, **Danilo Toninelli**, were present.

Italy's leading investor





Investments in the 2019-2023 Business Plan are mainly dedicated to **infrastructure**: €42 billion, of which €28 billion for railways and €14 billion for roads; €12 billion (of which 88% with Group resources) for new **trains** and **buses**, €2 billion for **underground railways**, €2 billion for **Information Technology** services and for the real estate sector. In total, across all sectors, more than €6 billion for **technology and digitisation**.

Boosting investment in the South

The actual result of this massive injection of investment will be the acceleration of **1,600 RFI and Anas worksites** throughout Italy. Similar attention is paid to **maintenance** processes for both the Group's infrastructure and transport companies. For the first time in Europe, investments in developing freight transport will benefit from the issue of **green bonds**.

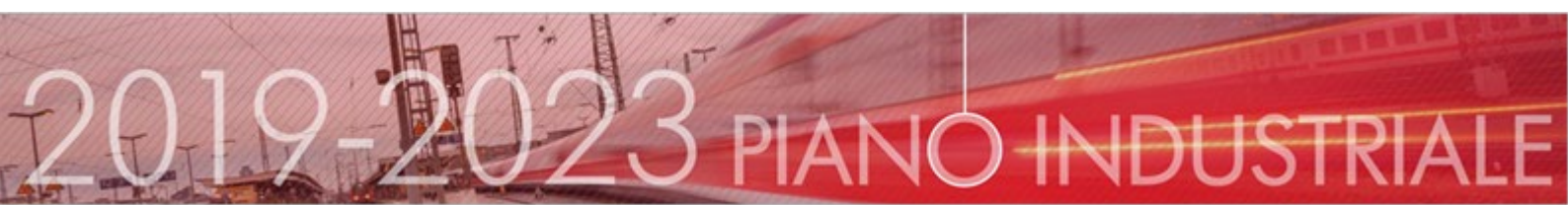
Strategic works with a considerable impact on the progress of railway projects such as the Terzo Valico, Brenner, Brescia - Verona - Padua, Naples - Bari and Palermo - Catania - Messina are fundamental. Indeed, 16 billion euros will be allocated to infrastructure in the South over the course of the Plan with a focus on road projects as the A2 Mediterranean Motorway, the Jonian State Road and the A19 Palermo-Catania.

New customised services

More than **two thousand new vehicles**: trains, buses, locomotives and freight wagons, will make our fleet the youngest in Europe, improving both travel (work, study, leisure and tourism) and logistics. As the population is expected to grow considerably in metropolitan areas, a substantial proportion of new vehicles will be dedicated to local transport, with **600 new regional trains**, frontloading the delivery of 239 trains to 2023, and **1,421 buses**, of which more than 500 have zero emissions (electric/hybrid/methane). There will be 14 new Frecciarossa 1000 to boost high-speed connections; 714 wagons and 100 new-generation locomotives will contribute to increasing the modal share in freight transport.

Urban rail transport will be reshaped with **five new types of service**, featuring specific intervals that will reach 8 minutes for urban services at peak hours, 30 minutes for suburban and inter-regional services, 60 minutes for regional services and 15 minutes for airport connection services. **Security and customer services** will be enhanced with **800 more employees**. The **regional customer care** service, being the first in Europe, will be supported by digital services to people, free call centres, chatbots for information and assistance and a simplified and immediate refund system.

Twenty million more **foreign tourists** will opt to travel with us, thanks to dedicated services and a wide combination of **integrated mobility**: single tickets, better multi-channel distribution and customised customer experience. This will increase accessibility to popular tourist destinations, redistributing flows not only in large cities.





More growth for quality

A coordinated and integrated network will facilitate connections between the country's three access gates: **stations, harbours and airports**. Since December 2018, **Rome Fiumicino** is connected to other Italian cities with 6 Freccia trains per day; by 2023, **Milan Malpensa** will also be connected to Verona, Padua, Venice, Bologna and Rome. Connections with airports (Bologna, Catania, Genoa, Venice) and harbours (e.g. Civitavecchia) will also be increased.

Growth in Europe, including the domestic market, and outside Europe, by exporting the Group's outstanding know-how, will see revenues increase to **2.3 billion** by 2023. Developing knowledge in managing infrastructure and transport projects in **non-European markets** will involve offering development, management and maintenance services for both high-speed and conventional rail lines, integrated metropolitan mobility systems, infrastructure, freight and logistics, specialist consultancy and staff training. These targets will be achieved through a **newco** dedicated to non-EU activities and a competence centre for activities in Europe.

Lastly, the 2019-2023 Industrial Plan also envisages a new role for FS Italiane in **urban** requalification, strengthening railway hubs, regenerating areas and improving urban mobility. To this end, the Group will invest **5.3 billion** euros with an asset value of **1.9 billion** euros.

Focus on quality

Another fundamental objective of the 2019-2023 Industrial Plan of FS Italiane is to significantly increase **punctuality** rates with an investment of **5.5 billion** euros. The interventions, both for the infrastructure and for the transport sector, aim to increase punctuality by 5% in regional transport and 10% in market transport. The **ERTMS** (European Rail Traffic Management System) technological system is crucial: already installed on HS/HC lines, it will be progressively extended to the traditional network, increasing track capacity and reducing congestion on the lines.

Investments in new technologies will also focus on robotics and drones, Internet of Things (IoT), artificial intelligence, and blockchain. Digitisation will also affect the industrial processes of the Group's operating companies, in particular **predictive diagnostics** for both the infrastructure and the trains, activities that will reduce the incidence of breakdowns, improving the travel experience. Finally, three new **Centres of Excellence** have been created: FS Technology, FS International and FS Security.

