

FS GREEN BOND PROGRAMME

12 November 2018

Vittoria IEZZI

Ferrovie dello Stato Italiane
Head of Debt Capital Market



Disclaimer

IMPORTANT NOTICE – STRICTLY CONFIDENTIAL

By accessing this investor presentation, you agree to be bound by the following limitations.

This presentation has been prepared by Ferrovie dello Stato Italiane S.p.A. is the sole responsibility of Ferrovie dello Stato Italiane S.p.A.. The information set out herein may be subject to updating, revision, verification and amendment and such information may change materially. Ferrovie dello Stato Italiane S.p.A. is under no obligation to update or keep current the information contained in this presentation or in the presentation to which it relates and any opinions expressed in them is subject to change without notice. None of Ferrovie dello Stato Italiane S.p.A. or any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this presentation or its contents, or otherwise arising in connection with this presentation.

This presentation is being communicated in the United Kingdom only to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and to persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as relevant persons). This presentation is only directed at relevant persons and any investment or investment activity to which the presentation relates is only available to relevant persons or will be engaged in only with relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not rely or act upon this presentation or any of its contents.

The information in this presentation is confidential and this presentation is being made available to selected recipients only and solely for the information of such recipients. This presentation may not be reproduced, redistributed or passed on to any other persons, in whole or in part. This presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of Ferrovie dello Stato Italiane S.p.A. nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This presentation does not constitute a recommendation regarding the securities of Ferrovie dello Stato Italiane S.p.A.

This presentation and the information contained herein are not an offer of securities for sale in the United States and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the United States Securities Act of 1933, as amended).

This presentation is for distribution in Italy only to "qualified investors" (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998, as amended and restated from time to time (the Financial Services Act), and as defined in Article 34-ter, paragraph 1(b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended and restated from time to time (the CONSOB Regulation), or in other circumstances provided under Article 100 of the Financial Services Act and Article 34-ter, CONSOB Regulation, where exemptions from the requirement to publish a prospectus pursuant to Article 94 of the Financial Services Act are provided.

This presentation may contain projections and forward-looking statements. Any such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Ferrovie dello Stato Italiane S.p.A.'s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Any such forward-looking statements will be based on numerous assumptions regarding Ferrovie dello Stato Italiane S.p.A.'s present and future business strategies and the environment in which Ferrovie dello Stato Italiane S.p.A. will operate in the future. Furthermore, any forward-looking statements will be based upon assumptions of future events which may not prove to be accurate. Any such forward-looking statements in this presentation will speak only as at the date of this presentation and Ferrovie dello Stato Italiane S.p.A. assumes no obligation to update or provide any additional information in relation to such forward-looking statements.

FS Sustainability approach as a pillar of the FS Group Strategy

Our sustainability approach permeates the full organizational structure ensuring integration of environmental, social and economical aspects within strategic business decisions

The Group signed the “UIC declaration on Sustainable Mobility and Transport”, formalising its commitment to responsible practices in terms of human rights, labour conditions, the environment and anti-corruption, in line with the ten principles of the UN Global Compact subscribed in 2017.

FS Group also supports the 17 Sustainable Development Goals launched on September 2015 by the United Nations, so as to promote a common agenda on development until 2030.

A BUSINESS THAT IS PART OF THE ECONOMIC COMMUNITY AND PROVIDES **INTEGRATED AND SUSTAINABLE** MOBILITY AND LOGISTICS SERVICES, USING TRANSPORT INFRASTRUCTURES SYNERGICALLY AND CREATING VALUE IN ITALY AND ABROAD



ECONOMIC COMMITMENT

Be a leader in the mobility sector by promoting the quality and efficiency of transport and infrastructure services



SOCIAL COMMITMENT

Be at the forefront of an integrated mobility project that, through a virtuous business model, encourages fair business practices and active engagement



ENVIRONMENTAL COMMITMENT

Be pioneers in the development and implementation of large-scale integrated mobility solutions that help regenerate **natural capital**



FS Green Bond Framework

- Ferrovie strongly believes that **rail and public transport are critical for sustainable development** and global efforts to combat climate change, by facilitating the modal shift away from cars into less carbon intensive modes of transport.
- Ferrovie has developed a **Green Bond Framework** which is in accordance with the 2017 ICMA **Green Bond Principles** and which aims at **financing projects with a positive impact in terms of environmental and social sustainability**.
- The GBF obtained a **Second Party Opinion** from **Sustainalytics**.
- **Ferrovie Green Bond Framework will focus on Trenitalia Investments in Public Transport Rolling Stock Renewal (the Eligible Green Projects).**



ELIGIBLE GREEN PROJECTS

NEW ELECTRIC MULTIPLE UNIT (EMU) TRAINS
FOR REGIONAL PASSENGER TRANSPORT:
POP and ROCK

NEW HIGH SPEED TRAINS "ETR 1000"
(also "FRECCIAROSSA 1000")

Both these project will ensure energy efficiency improvements, carbons emission reduction and modal shift to rail in the local and long distance public transport, among other improvements related to air quality and comfort for passengers

Ferrovie may decide to include additional Project Categories for future issuances

EGP - New Regional Trains “Pop & Rock”

- **Innovative technologies for energy efficiency** (engines with natural ventilation, use of light alloys, LED lighting, CO₂ sensors for optimal climatization, smart parking mode, etc)
- **Recyclability** rate between **92%** and **96%**
- More **bikes racks**, with charging points for electric bikes
- **Access to "White Certificate"** mechanism (national incentives scheme for high energy efficiency investments) obtained on February 15th, 2017
- **Awarded** in the top ten Italian initiatives for **sustainable mobility 2017**



EGP - New High Speed Trains “ETR 1000”

- Extremely accurate **aerodynamic design** to minimize motion resistance
- High **efficiency of traction system**
- **LED** lighting
- **Recyclability** rate over **94%**
- First HS train provided with **Environmental Product Declaration (EPD)**
- **Access to "White Certificate"** mechanism (national incentives scheme for high energy efficiency investments) obtained on December 1st, 2015



Second Party Opinion to FS Green Bond Framework

- Ferrovie has appointed **Sustainalytics** to provide a Second Party Opinion on this Green Bond Framework.
- Second Party Opinion document is published on Ferrovie’s website

Ferrovie ’s sustainability strategy

*“Ferrovie’s Green Bond **Framework is robust and transparent** and **aligned to the four pillars of the Green Bond Principles 2017.**”*



Ferrovie Green Bond Framework

“Ferrovie has started the process to fully integrate environmental management into its business model through:

- *Reduction in its own consumption of natural capital*
- *promote a shift towards more efficient modes of transport”*

Impact of Use of Proceeds

“Given the significant energy improvements of the new electric trains compared to previous models, as well as recyclability of the trains, Sustainalytics is of the opinion that the use of proceeds contributes to increased sustainability and energy efficiency of Ferrovie’s operations and the train system in Italy.”

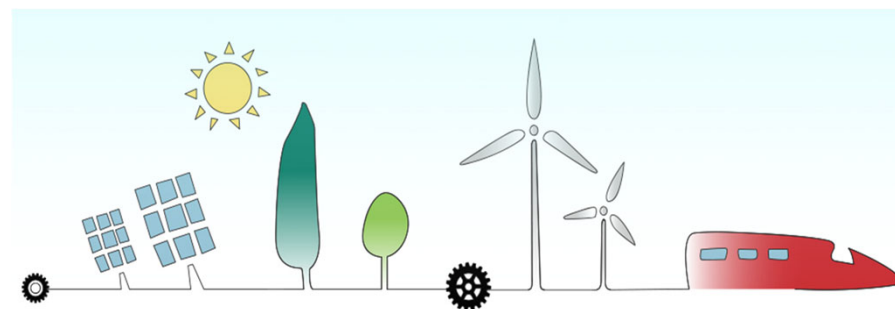
FS FIRST GREEN BOND – EMTN SERIES 7

The transaction took place after a pan-European roadshow with stops in Paris, Munich, Frankfurt, Amsterdam and the Hague. Demand exceeded 1.3 billion euro from 115 investors, of which more than 60% from foreign investors; according to FS analysis, **around 50% of final orders were from institutional investors with sustainability commitment.**

It was **the 1st European green bond issuance in the market of an incumbent railway operator to finance both new regional and high speed trains.**

The execution allowed FS Italiane to set coupon at 0.875%, that represents **the lowest coupon ever obtained by FS Italiane in a public EMTN bond.** The final spread was set at mid swap +52 basis points, more than 10 basis points lower than the initial price talk. It is equivalent to a spread of around 1.5 basis points under the BTP duration equivalent, at the books' closing.

The relevant success confirmed the positive perception from the capital market about the FS' creditworthiness as well as it endorsed the Group's commitment for a sustainable mobility.



https://www.fsitaliane.it/content/dam/fsitaliane/en/Documents/media-and-events/press-releases-and-news/2017/december/2017_12_01_CS_Green_Bond_Closed_ENG.pdf

Ferrovie EUR 600m Senior 0.875% 6yr

Inaugural Green Bond

- Ferrovie dello Stato Italiane (S&P BBB, Fitch BBB both stable) has successfully placed its inaugural green bond, being the first European green bond issuance of an incumbent railway operator to finance both new regional and high speed trains ever in the market. The transaction, priced on November 30th, has a nominal value of €600m and a 6 years tenor.
- The transaction took place after a pan-European roadshow with stops in Paris, Munich, Frankfurt, Amsterdam and the Hague.
- Confident on the strong feedback received during the roadshow, FS opened books with IPTs at MS+60/65bps for €500m expected.
- Pricing guidance was released at MS+55a (+/-3 bp WPIR). Thanks to a resilient demand from investors, the final spread was set at mid swap +52 basis points, more than 10 basis points lower than the initial price talk. This is equivalent to a spread of around 1.5 bps under the BTP duration equivalent, at the books' closing.
- The execution allowed FS Italiane to set coupon at 0.875%, that represents the lowest coupon ever obtained by FS Italiane in a public bond in the capital markets.
- Demand exceeded €1.3bn from 115 investors, of which more than 60% from foreign investors; according to FS analysis, around 50% of final orders were from institutional investors with sustainability commitment.

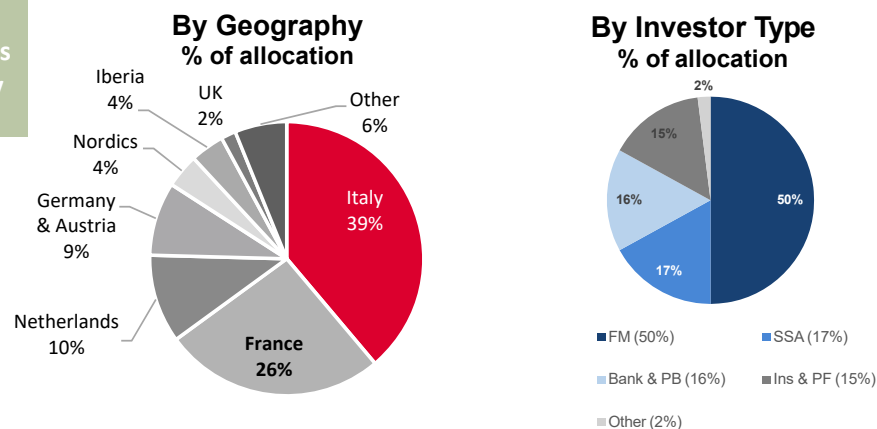
Green Bond highlights

- FS Italiane's business is dedicated mainly to rail and public transport that are critical for sustainable development and global efforts to combat climate change, by facilitating the modal shift away from cars into less carbon intensive modes of transport.
- Use of Proceeds of the FS Italiane Green Bond will be applied to investments in Public Transport Rolling Stock Renewal defined as: New Electric Multiple Unit trains for regional passenger transport, and New High speed Trains "ETR 1000".
- FS Italiane Green Bond Framework is made available on the Issuer's website in the investor relations section.
- FS Italiane signed the "UIC declaration on Sustainable Mobility and Transport", formalising its commitment to responsible practices in terms of human rights, labour conditions, the environment and anticorruption, in line with the ten principles of the UN Global Compact subscribed in 2017.
- FS Italiane's Green Bond reporting will be made available on its website, on an annual basis, at least until full allocation.
- Sustainalytics provided a Second Party Opinion confirming that FS Italiane's Green Bond Framework is robust and transparent and aligned to the four pillars of the Green Bond Principles 2017.

Issuer	Ferrovie dello Stato Italiane SpA
Issuer Ratings	BBB(S&P)/BBB (Fitch)
Format	Reg S Bearer, Senior Unsecured
Pricing Date	30 th November 2017
Issue Size	EUR 600m
Settlement Date	7 th December 2017
Maturity Date	7 th December 2023 (6yr)
Coupon:	0.875%
Re-offer Price	99.983%
Re-offer Yield	0.878%
Re-offer Spread	MS + 52bps
Use of Proceeds	Public Transport Rolling Stock Renewal
Listing	Irish Stock Exchange regulated market
Law / Documentation	FS EMTN Programme duly supplemented on 21 November 2017
Joint Structuring Advisors	Credit Agricole CIB, HSBC
Joint Bookrunners	Banca IMI, Barclays Bank PLC, Credit Agricole CIB, Deutsche Bank, Goldman Sachs International, HSBC, J.P. Morgan, Société Générale

39 new investors compared to previous public issues, mainly "green"




Distribution Statistics



FS Inaugural Green Bond Allocation Report

97% proceeds allocated at the date of issue, via *intercompany loan* from FS, the issuer, to Trenitalia*

PROCEEDS MANAGEMENT AND ALLOCATION			(€ mn)
ELIGIBLE GREEN PROJECT	Allocated net proceeds as of 7 December 2017	Allocated net proceeds as of 4 April 2018	
New High Speed Trains "ETR 1000"	535.49	549.64	
New Electric Multiple Unit (EMU) Trains For Regional Passenger Transport: Pop And Rock	49.78	49.78	
TOTAL	585.27	599.42	

TRAIN MODEL	UNIT OF TRAIN FUNDED
	FRECCIAROSSA 1000 17
	"POP" 3
	"ROCK" 4

*Unallocated proceeds at the issuance were invested by FS Treasury according internal policies

Eligible Green Projects KPI reporting

Environmental performance of the rolling stocks funded via the Green Bond

ENVIRONMENTAL IMPACTS "ETR1000"					
	KPI	UNIT	TOTAL		IMPACT
	UNIT OF TRAIN FUNDED	N.	17		
	TOTAL ENERGY SAVING*	MWh	-33,108		-20.5%
	TOTAL GHG EMISSIONS	tCO ₂	47,960		
	TOTAL GHG EMISSIONS AVOIDED*	tCO ₂	-12,349		-20.5%

* the proxy for the calculation of energy saving and avoided GHG emissions is the "ETR 500" with 9 coaches

Data of the ETR1000 are actual as these 17 trains are already in operation.

ENVIRONMENTAL IMPACTS "POP" and "ROCK"						
	KPI	UNIT	POP	ROCK	TOTAL	IMPACT
	UNIT OF TRAIN FUNDED	N.	4	3	7	
	TOTAL ENERGY SAVING*	MWh	-2,565	-497	-3,061	-20.5%
	TOTAL GHG EMISSIONS	tCO ₂	3,388	1,193	4,581	
	TOTAL GHG EMISSIONS AVOIDED*	tCO ₂	-957	-185	-1,142	-20.5%

* the proxy for the calculation of energy saving and avoided GHG emissions is the market average of comparable trains

Data for the POP and ROCK EMU are estimates based on the values stated by the suppliers in the tender process according to the European technical specification TS 50591 (ex UIC/UNIFE TECREC 100_001) "Specification and verification of energy consumption for railway rolling stock".
The first POP an ROCK will be deployed in 2019 in Emilia Romagna region, where the Group has signed a Public Service Contract for 22 years.

FS Green Bond Framework

Next steps

- As part of the **renewal of the regional transport fleet**, further *Rock* and *Pop* (**Eligible Green Projects**) are in the investment pipeline for a total expected amount of € 4.25 billion* in 2019-2024
- **These investments are expected to be funded via green bond***
- Furthermore, according to the Green Bond Framework, FS may decide **to include additional Project Categories for future issuances**
- **FS has just increased the EMTN Programme size up to Eur 7 billion from the previous Eur 4.5 billion**

FS thinks that green bond is the best tool to fund the majority of investments in the coming years, to ensure and strengthen its ambition to develop a sustainable transport service

Contacts:

Stefano Pierini – Head of Finance, Investor Relations and Real Estate

Tel. +39 06 44102348

Mail: s.pierini@fsitaliane.it

Vittoria Iezzi – Head of Debt Capital Market

Tel. +39 06 44106655

Mail: v.iezzi@fsitaliane.it

<https://www.fsitaliane.it/content/fsitaliane/en/investor-relations/debt-and-credit-rating/green-bond.html>

