



Nuovo Trasporto Viaggiatori - Italo

Company profile

NTV Italo: how the opportunity came up

Italian operating context

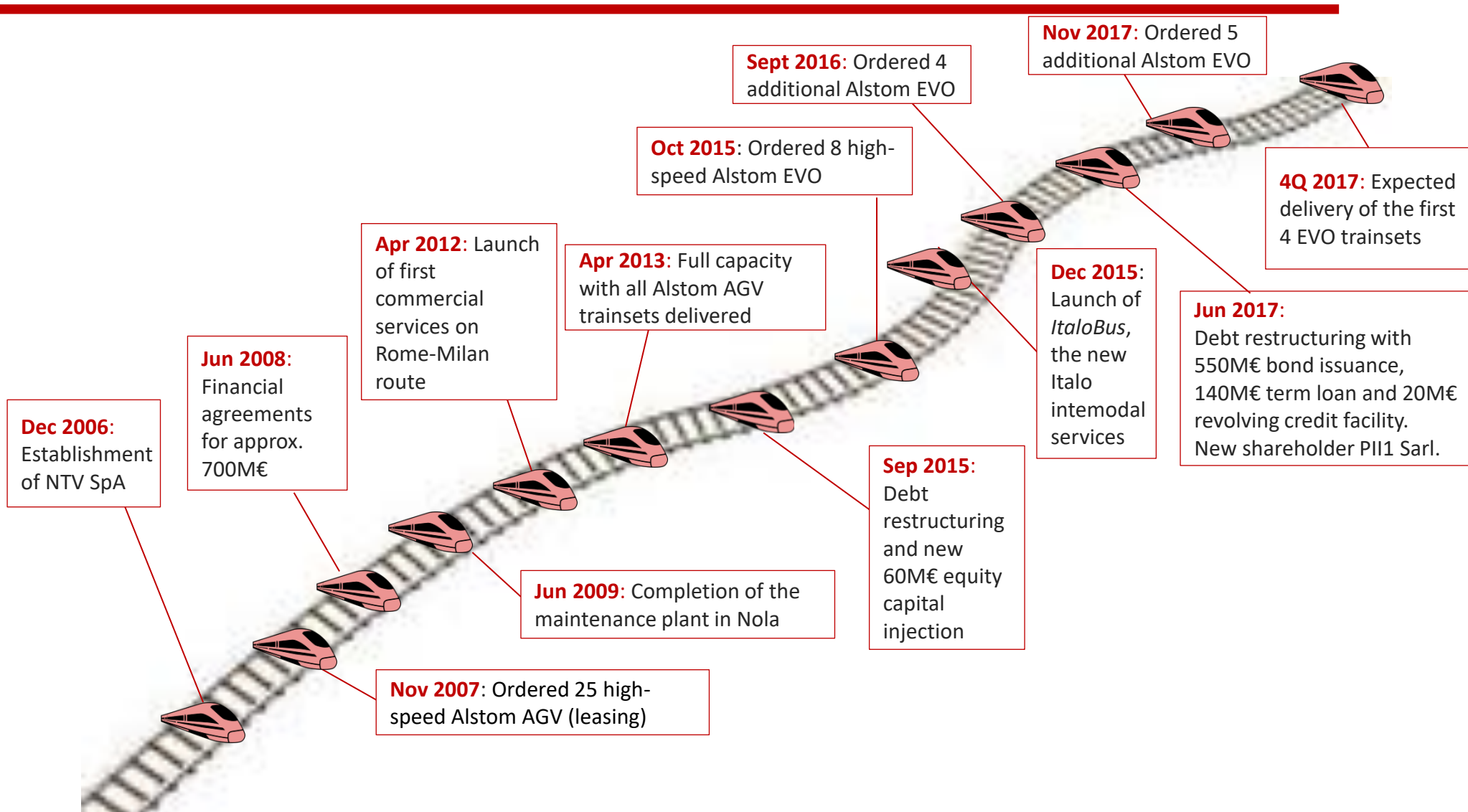
- The **liberalization of domestic passengers rail services** introduced in Italy in **2003**, promptly reflecting the guidelines defined at European level
- The opening of the market to competition seen as the best way **to improve quality and economics of rail transport**
- **Significant growth opportunities** for modern and efficient rail services within a transportation system historically strongly unbalanced in favor of the road network
- **Weakening air transport sector** on key business routes

Market opportunity

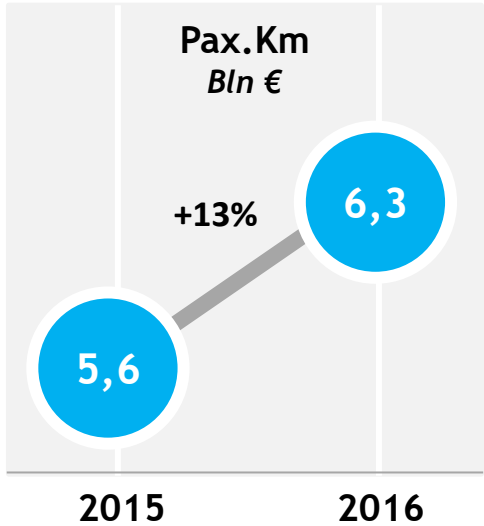
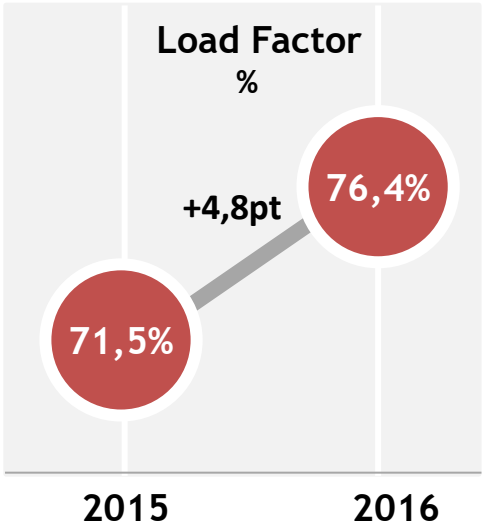
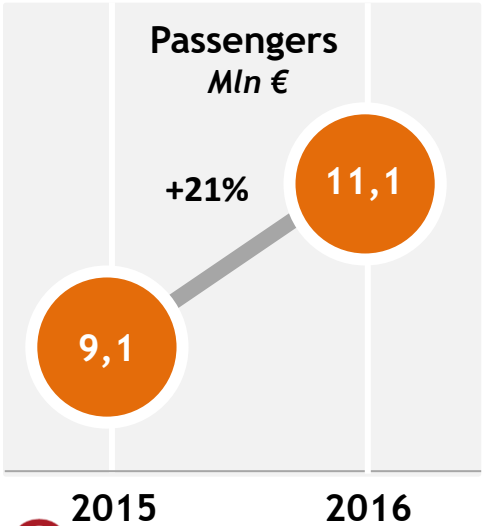
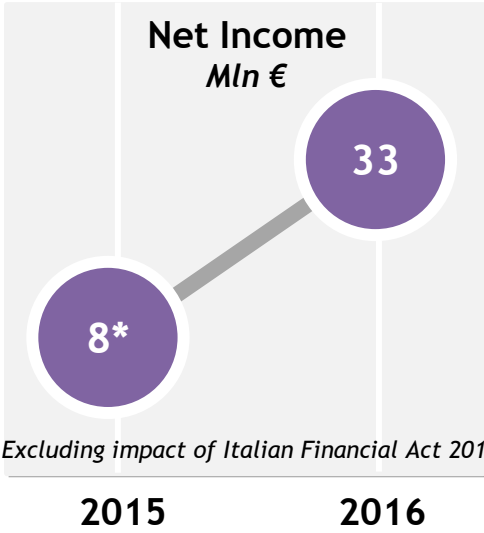
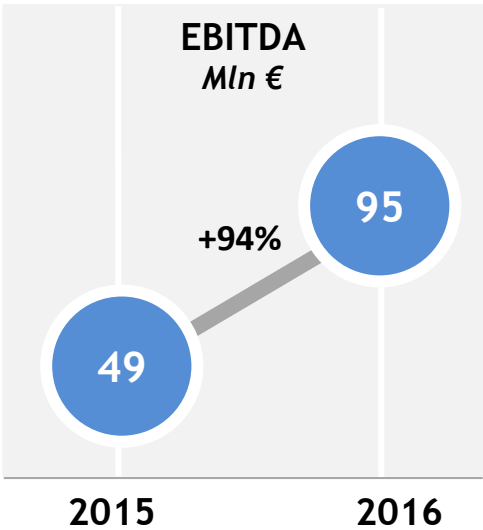
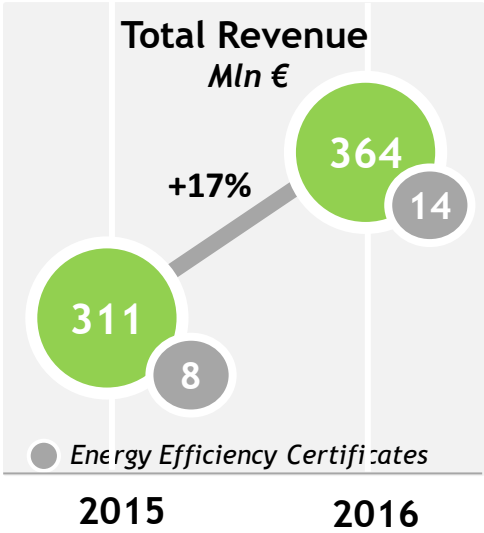
- The liberalization process inspired some **Italian entrepreneurs** to establish in **2006 Nuovo Trasporto Viaggiatori (NTV)**, operating under the ***Italo*** brand
- NTV is the **first private High Speed operator** in the European Union
- Since the very beginning NTV has been highly **appreciated for its service quality**, raising up the overall standards of the market
- NTV is evolving in line with the **changing environment** by reinventing itself in terms of **both strategic and operating guidelines**

First private high-speed operator in EU, NTV took benefit of the liberalization of the Italian passengers rail services to raise the rail transport quality standards

Brief history of NTV Italo



NTV Italo key performance indicators 2015-2016



NTV Italo key assets and investments

Trains



- **Over 600 Million €** investment on the **25 Alstom AGV** trainsets, produced and assembled in Italy and France
- **Over 425 Million €** investment on the **new 17 Alstom EVO** trainsets, entirely **produced and assembled in Italy**

Maintenance sites



- **Almost 2 Billions €** contracts **totally signed** to secure the **maintenance** of the AGV and EVO fleets over 30 years
- **Three maintenance sites** in Nola (NA), Milan and Venice employing over **400** workers

Stations lounges and ticket offices



- **During 2017 over 30 cities served through intermodal services (train-bus)** with a number of cities connected constantly increasing year by year (approx. 26 cities served in 2016)
- Strong investment in visibility through **lounges, ticket offices and ticket vending machines**

Human Resources



- **Over 1.000 people directly employed** with the launch of the new EVO services

NTV Italo high speed fleet as of July 2017

Fleet made up of 25 Alstom high-speed AGV trainsets, delivered between 2012 and 2013

Technical features

- ✓ 11 cars / 12 bogies
- ✓ Over 460 seats per trainset
- ✓ 3 classes (*Club, Prima, Smart*)
- ✓ 2 vending machines areas
- ✓ 200m trainset length
- ✓ Distributed traction



Winner of the 2013 design award as «Life-enhancer of the year» by *Wallpaper* magazine

Newly commissioned 17 Alstom EVO trainsets

Recently commissioned, the *Alstom EVO* fleet will combine with the current fleet of 25 *Alstom AGV*, taking the total number of *Italo* trainsets up to 42

Technical features

- ✓ 7 coaches / 14 bogies
- ✓ 472 seats
- ✓ 3 classes (*Club, Prima, Smart*)
- ✓ 187 m trainset length
- ✓ 2 vending machine areas
- ✓ Distributed traction

Delivery starting in Q4 2017



Highly competitive against market alternatives in terms of productivity, price and capacity

Development of NTV Italo rail network

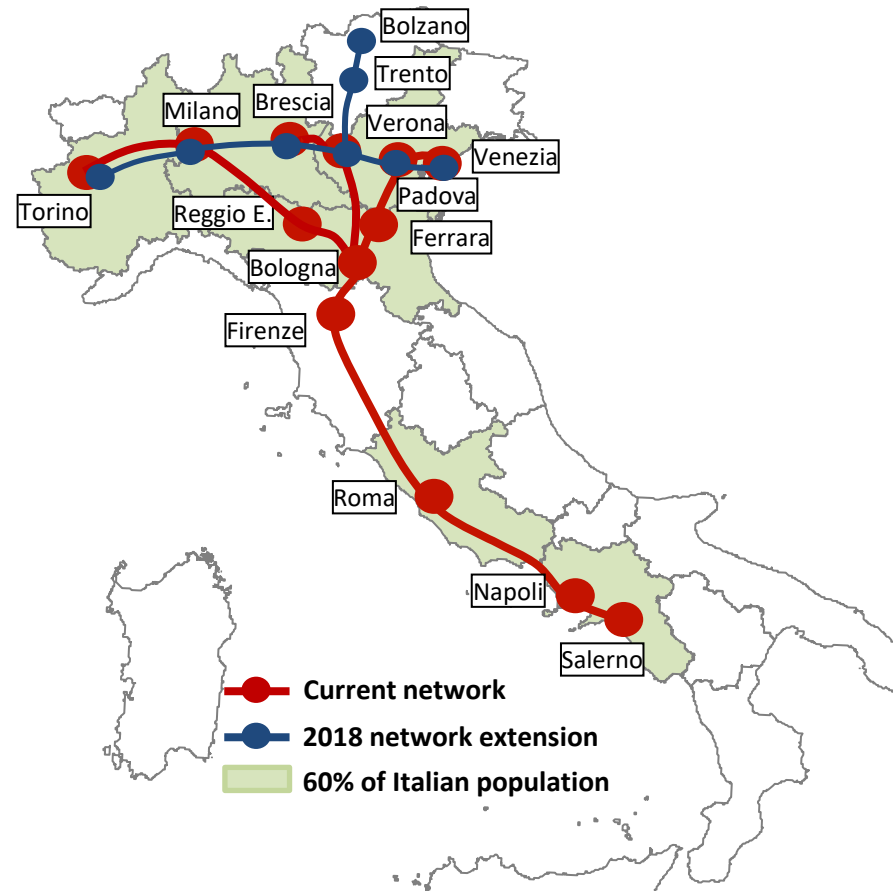
Enlargement of the Italian high-speed network as one of the primary factors driving the Company's decision to launch of new services

CURRENT NETWORK: Three main routes served

- ✓ Backbone Turin - Salerno (including no-stop services)
- ✓ Naples/Rome - Venice
- ✓ Naples/Rome - Verona/Brescia

NETWORK EXTENTION: Increase of daily frequencies on the current network and **launch of services in new markets** upon delivery of newly commissioned EVO fleet:

Daily services per route	2017	Full Capacity
<u>Turin - Salerno (with stops)</u>	25	30
<u>No-Stop Milan - Rome/Naples</u>	15	20
<u>Venice - Rome/Naples</u>	8	16
<u>Turin - Milan - Venice</u>	-	14
Brescia/Bolzano - Verona - Rome/Naples	8	8
TOTAL DAILY SERVICES	56	88



Plans to reinforce current routes and launch new services along the highly populated Turin-Venice corridor

ItaloBus, the NTV Italo intermodal service

New projects 2017

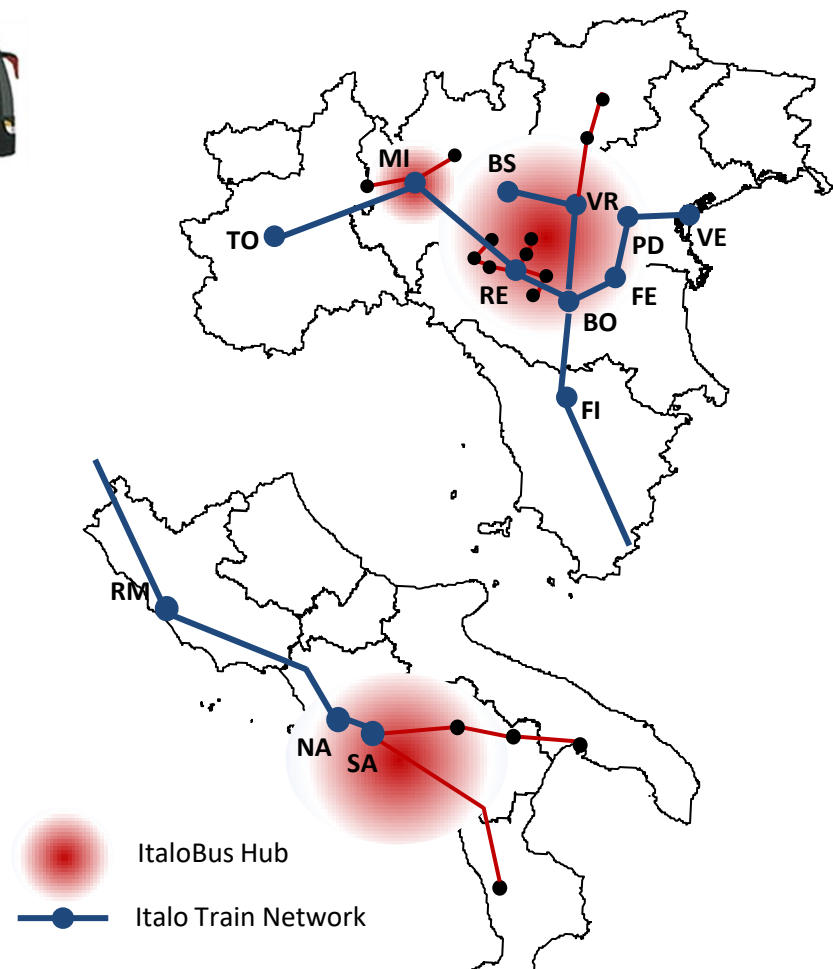


ITALOBUS

- Increase of frequencies on current routes (i.e. Parma, Potenza, etc.)
- Increase of served destinations, i.e.:
 - ✓ Venice - Trento
 - ✓ Salerno - Cosenza

PARTNERSHIPS

- Launch of new **services to airports** in the Center-North regions of Italy - Malpensa, Linate, Treviso, Pisa
- Launch of **door-to-door** minibus services to feed up the main stations of *Italo* network

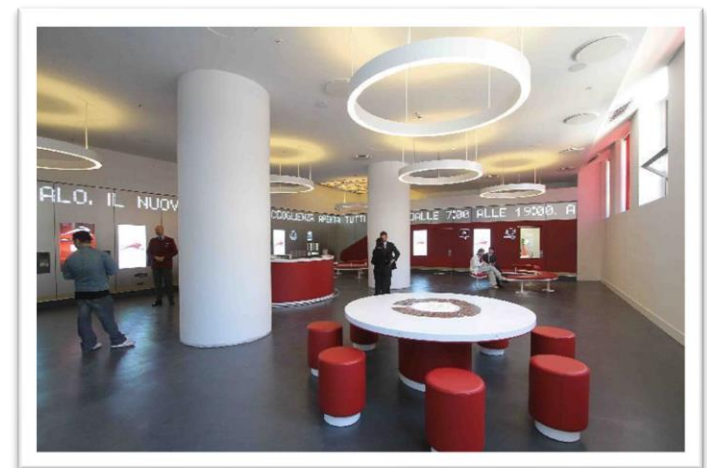


Italobus offer constantly increasing with new services in Trentino Alto Adige and Calabria regions and to the main airports of central-northern Italy

NTV Italo key success factors

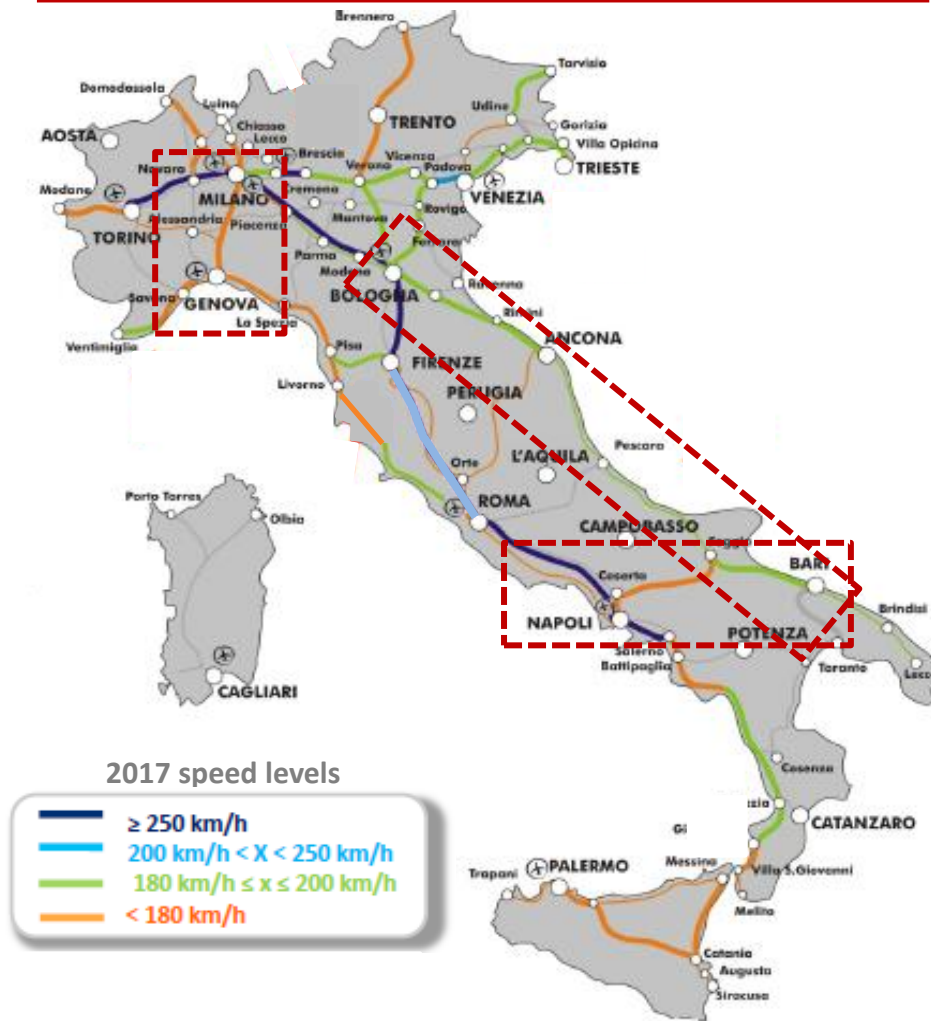
Value-oriented approach with an accurate mix of operating and marketing initiatives aimed to address all the key choice drivers in the various market segments

- **Continuous improvement of courtesy, cleanliness and comfort** as distinctive key success factors to ensure a memorable overall travel experience
- **Extensive use of new digital technologies** as primary channel for interaction with customers
- **Customized pricing strategies and services levels** to address the needs of a wide range of passengers, from the value-oriented to the business ones
- Conversion of all **stations** into **primary sales assets**: increased visibility through **new lounges, ticket offices** and **over 150 new ticket vending machines**



The Italian HS rail network

Current High Speed Rail infrastructure



Expected development

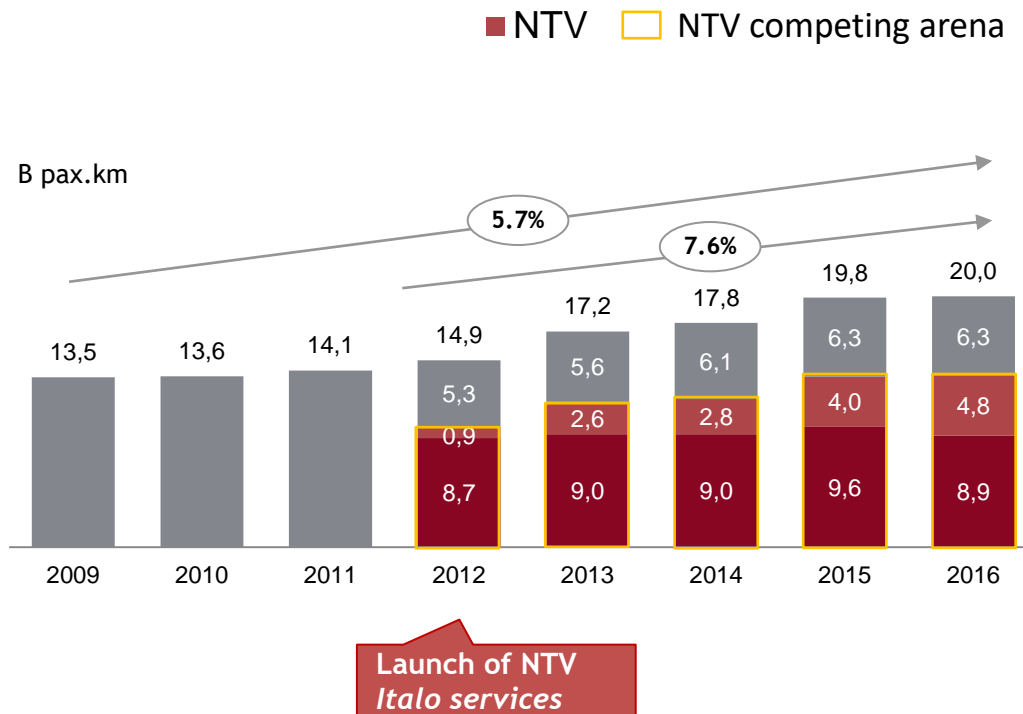
A significant updating of the rail infrastructure expected over the next 5 years along some of the key rail routes of the country:

- 2020 → Naples – Bari (high speed partial upgrade)
- 2021 → Milan – Genoa (high speed upgrade)

The improvement of the network performances likely to increase demand

Italian high speed rail market

Italian long-haul passenger rail market 2009-2016



Increased HS train traffic as an effect of traffic gained at the expense of airplane and car, plus an induced demand

- **Pure demand growth:** mainly driven by macro-economic trend (i.e. GDP, touristic inflows)
- **Induced demand:** availability of convenient transportations solutions stimulating a demand that would not have considered airplane (too expensive) and car (too long)
- **Modal share increase:** Train modal share increase as it becomes more competitive vs. airplane and car

Over 7% CAGR market growth since launch of *NTV Italo*'s first train services in 2012

