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THE SWEDISH TRADE & INVEST COUNCIL



FS INFRASTRUCTURE PLAN A HIGH POTENTIAL OPPORTUNITY

SWERIG

29/11 2016

ITALIEN

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THE SWEDISH TRADE & INVEST COUNCIL

**BUSINESS
SWEDEN**



HELP EVERY SWEDISH COMPANY TO REACH ITS FULL INTERNATIONAL POTENTIAL



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BUSINESS SWEDEN INCREASES BUSINESS ABROAD WHILE ATTRACTING INVESTMENTS TO SWEDEN



OUR PURPOSE:

BUSINESS SWEDEN'S PURPOSE IS TO HELP EVERY SWEDISH COMPANY TO REACH ITS FULL INTERNATIONAL POTENTIAL AND HELP COMPANIES ABROAD TO REACH THEIR POTENTIAL BY INVESTING IN SWEDEN.

BUSINESS SWEDEN IS *OWNED BY THE SWEDISH GOVERNMENT AND THE INDUSTRY, A PARTNERSHIP THAT PROVIDES ACCESS TO CONTACTS AND NETWORKS AT ALL LEVELS.*

AND THIS IS WHAT WE DO





WE ARE WHERE YOU ARE – OR WHERE YOU COULD BE

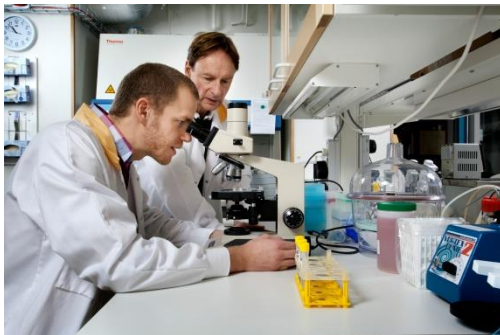


Offices in **46 countries** and all continents

Access to **networks with key decision makers** in local markets

In-depth knowledge about **specific market conditions and local culture**

BUSINESS SWEDEN PRIORITISES ON SEVEN HIGH POTENTIAL INDUSTRIES



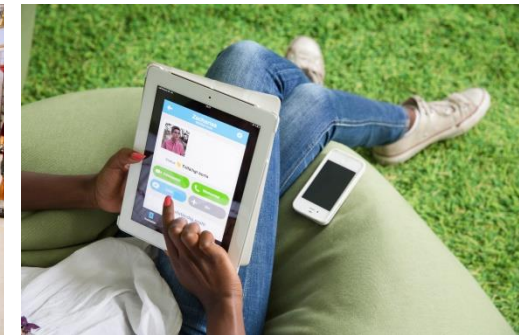
HEALTH CARE & LIFE SCIENCES



MATERIALS & MANUFACTURING



TRANSPORTATION & AUTOMOTIVE



TELECOM & IT



SECURITY & DEFENCE



ENERGY & ENVIRONMENTAL TECH.



RETAIL & CONSUMER PRODUCTS

WE OFFER A WIDE SELECTION OF SERVICES AND SUPPORT DEPENDING ON YOUR NEEDS

EVALUATE OPPORTUNITIES

Examine opportunities and choose market

- ▶ **Export Information**
- ▶ Steps to Export
- ▶ Trade Facilitation
- ▶ Market Selection Analysis

CHOOSE STRATEGY

Understand market and define entry strategy

- ▶ Market Analysis
- ▶ Visiting Program
- ▶ Market Entry Strategy
- ▶ Partner Search
- ▶ Bus. Opportunity Project

ESTABLISH PRESENCE

Establish presence in foreign markets

- ▶ Incorporation
- ▶ Business Support Office
- ▶ Acquisition Support
- ▶ Recruitment Services
- ▶ Sourcing Services

GROW BUSINESS

Develop and grow your international business

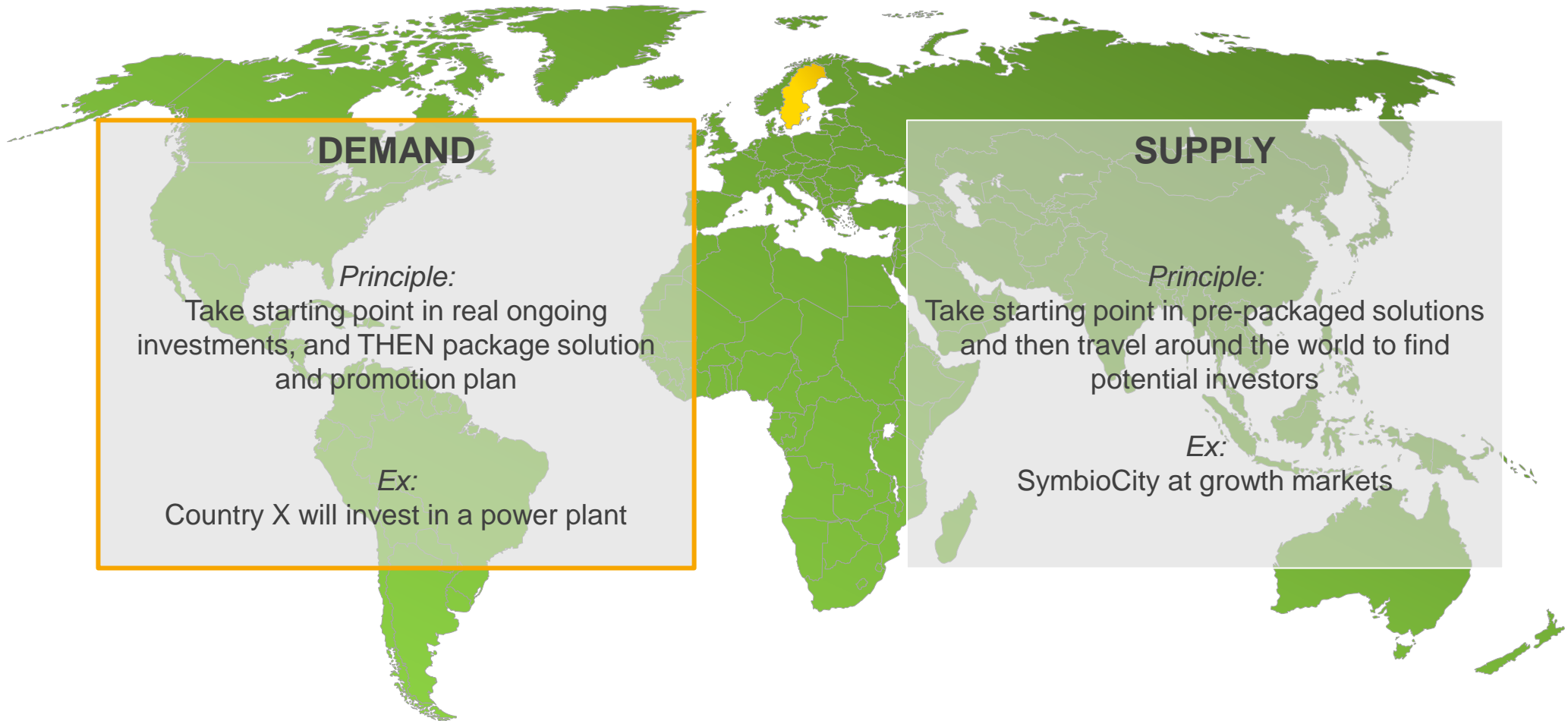
- ▶ Sales and Marketing Support
- ▶ Stakeholder management
- ▶ Operational Support
- ▶ Business Development

PROMOTIONAL ACTIVITIES

Swedish companies can use the official brand of Sweden to open doors and acquire new contacts. Business Sweden arranges seminars, site visits, trade fairs, delegations, conferences and many other activities to strengthen brands and to increase the visibility for Swedish companies



HIGH POTENTIAL OPPORTUNITIES – A BRAND NEW SERVICE AT BUSINESS SWEDEN



BUSINESS OPPORTUNITIES ARE FOUND IN CLOSE COLLABORATION WITH COMPANIES



HPO: PROMOTING SWEDISH COMPANIES' LARGEST INTERNATIONAL DEALS



Public procurement



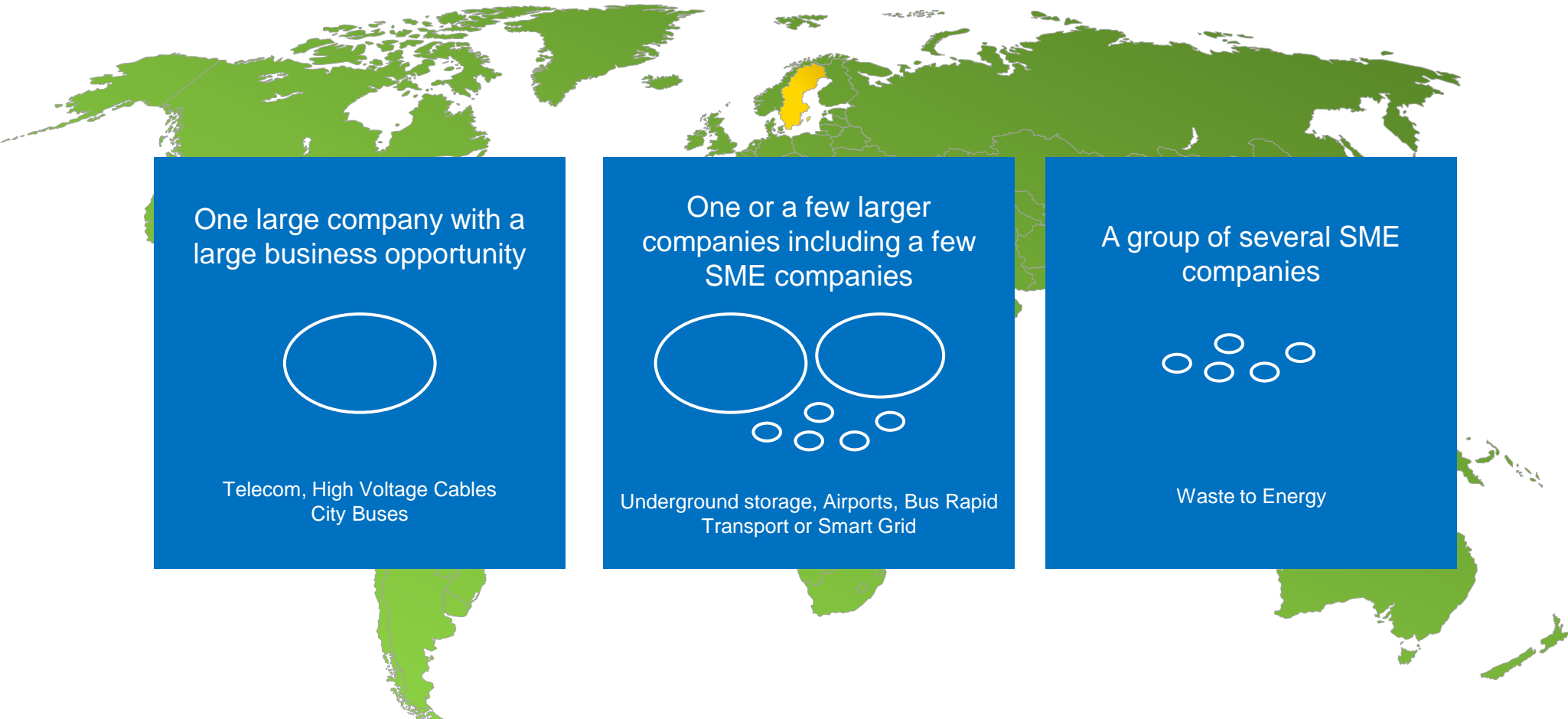
Special Purpose Vehicles



Private procurement



THREE TYPICAL WAYS FOR COMPANY PARTICIPATION IN A HPO PROJECT

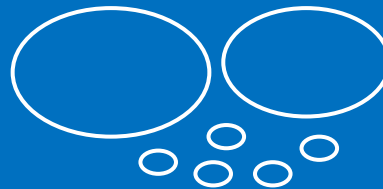


One large company with a large business opportunity



Telecom, High Voltage Cables
City Buses

One or a few larger companies including a few SME companies



Underground storage, Airports, Bus Rapid Transport or Smart Grid

A group of several SME companies



Waste to Energy

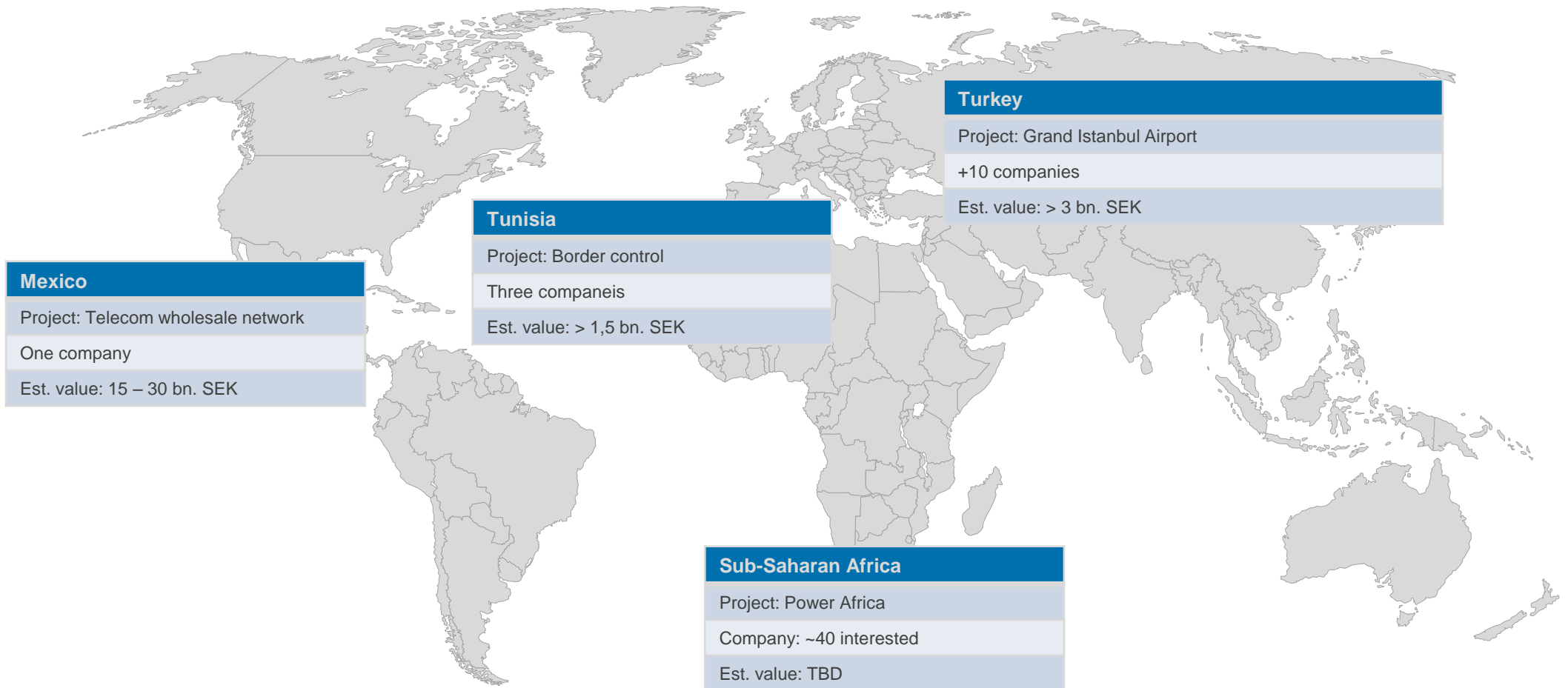
NO HIGH POTENTIAL OPPORTUNITIES PROJECTS ARE STARTED WITHOUT COMPANY PARTICIPATION

EXAMPLES OF SERVICES IN HPO PROJECTS

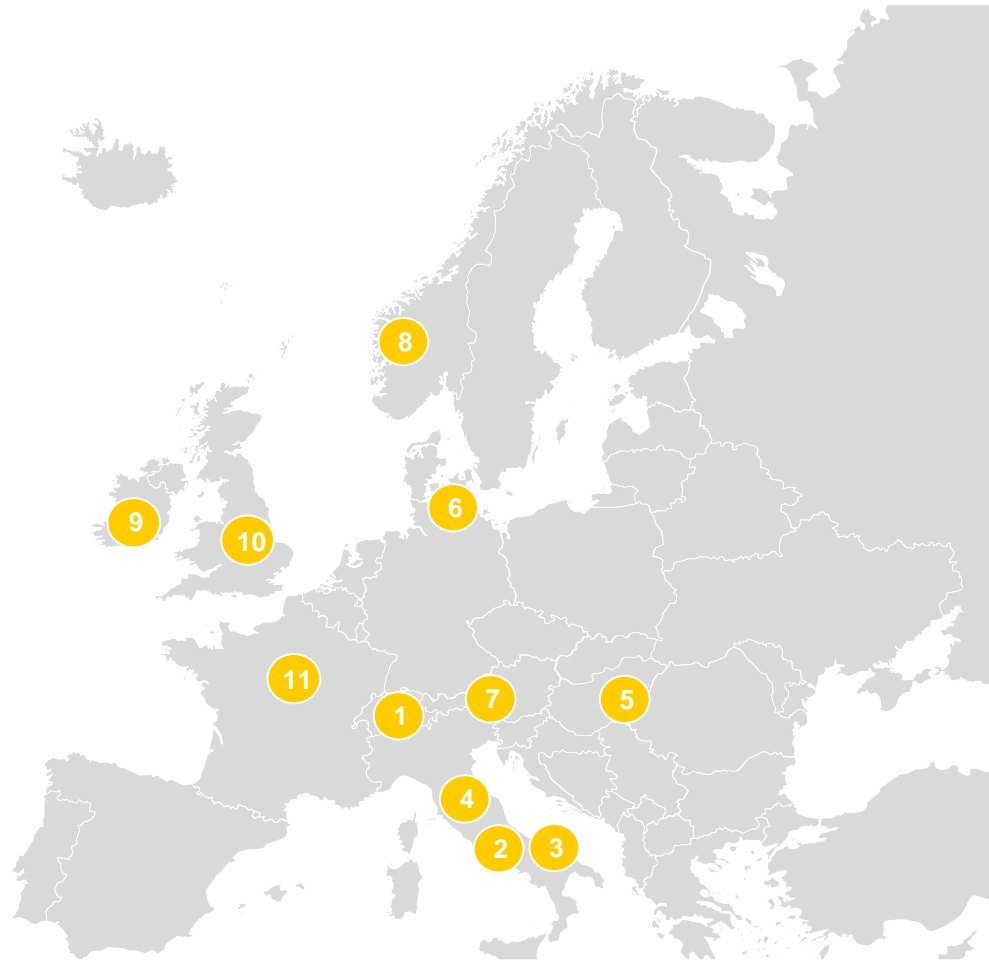
- ▶ Coordinate all available means within Swedish export promotion, such as:
 - ▶ Coordinate activities from govt offices, authorities and other Team Sweden members
 - ▶ Facilitate high level political contacts
 - ▶ Organize delegations
- ▶ Project management, e.g.
 - ▶ Form and manage project groups with representatives from companies, other promoters and industry organizations
 - ▶ Arrange workshops, seminars and matchmaking events
- ▶ Provide information, e.g.
 - ▶ Introduce relevant SME:s to the HPO
 - ▶ Update participating Swedish companies about developments in the project, e.g. through newsletters



CURRENTLY MORE THAN FOUR ONGOING HPO PROJECTS



IN WESTERN EUROPE WE FOLLOW 11 INFRASTRUCTURE PROJECTS IN RAIL, ROAD AND TRANSPORT



Infrastructure

- 1 Circle project (Zurich Airport)
- 2 Infrastructure plan Italy
- 3 Hospital investments Lombardy
- 4 Livorno Port
- 5 Hungarian Railways
- 6 Fehmarn Belt Tunnel project
- 7 Austrian Railways
- 8 4 projects in Norway (rail & road)
- 9 Subway Ireland
- 10 Infrastructure plan UK
- 11 Grand Paris Express (several projects)



ABOUT THE OPPORTUNITY IN ITALY

- ▶ A deep transformation of the whole FS group
- ▶ Objective to become a global integrated mobility company
- ▶ Investments of 95 Bn Euro until 2016
 - ▶ 73 billion for infrastructure, 14 billion for rolling stock and 7 billion for technological development
 - ▶ 58 Bn is already available (23 self financed and 35 funded by “Contratti di Programma”)
- ▶ Increase revenue at 17.6 billion in 2026 from today’s 9 billion
- ▶ Increase number of staff from 69000 to 100 000



THE ITALIAN RAILWAY NETWORK: RAILROADS, ACTORS AND KEY FIGURES

- ▶ In January 2015 there were more than 16.700 km operational railroads; more than 11.900 km of them are electrified and over 7.500 km are double track railroads.
- ▶ There are close to 2 100 active customer service stations.
- ▶ In 2014, a total of 40 regional companies operated the national railway network
 - ▶ 21 freights Rail Undertakings
 - ▶ 19 passengers Rail Undertakings
- ▶ The main train manufacturers are:
 - ▶ Hitachi Rail Italy (Japanese)
 - ▶ Acquired AnsaldoBreda in 2015
 - ▶ Alstom (French)
 - ▶ Acquired FIAT Ferroviare in 2002
 - ▶ Bombardier (Canadian)
 - ▶ Founded Bombardier Transportation Italy in 2002
 - ▶ Firema Trasporti (Italian)
 - ▶ Operative in Northern Italy
 - ▶ SITAV (Italian)
 - ▶ Operative in all of Italy and supplies to major player mentioned above, Trenitalia and RFI



THE FERROVIE DELLO STATO ITALIANE GROUP

- ▶ The Ferrovie dello Stato Italiane Group is one of the biggest industrial entities in Italy with: 8 000 daily trains, 600 million passengers per year and 50 million tonnes of goods transported per year
- ▶ The main actors of the group are:
 - ▶ **RFI - Rete Ferroviaria Italiana** is the company of the FS Group with the public role of Infrastructure Manager, responsible for management and for safety of the rail traffic on the whole national network, track, stations and installations. RFI is functionally active throughout the Italian territory with over 25,000 employees.
 - ▶ **Trenitalia** is the national railway operator responsible for the transport of goods and persons and has as its main client the end customer. It has 20 regional subdivisions and annually they move 1.6 million passengers per day and 6 300 trains per day. The company has 650 trains, 3.800 wagons and 700 light vehicles.
 - ▶ **Italferr** is responsible for the development, construction and modernisation of the Italian railway network.



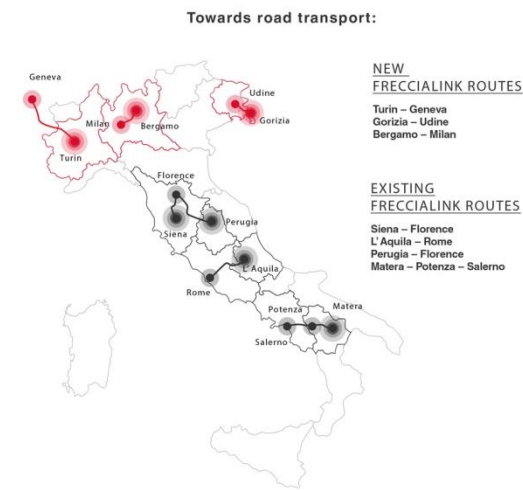
THE STRATEGY IS BASED ON FIVE STRATEGIC PILLARS

- ▶ Integrated mobility with the involvement of all operators in the industry;
 - ▶ Integrated logistics, with a deep reorganization of the freight business
 - ▶ Integration between railway and road infrastructure
 - ▶ International development
 - ▶ Digitalization as the enabler of the entire Plan.
-
- ▶ FS will also become a gateway to the mobility ecosystem, in an integrated view aimed at a “*coopetition*” that gathers all the actors and ways of transport: buses, in addition to trains as well as pooling and sharing services



LONG HAUL TRANSPORT AND HIGH SPEED TRAINS

- ▶ Continuous development and investments in high speed trains. Today there are 34 circulating trains of the 50 planned of the new new ETR 1000. There will also be investments that will effect the Intercity trains.
- ▶ The FrecciaLink will extend the High-Speed experience with both national (Gorizia-Udine, Bergamo-Milan) and international (Turin-Geneva, Milan-Monaco) connections that will be added to the existing ones (Siena-Florence, L'Aquila-Rome Tiburtina, Perugia-Florence, Matera-Potenza-Salerno).
- ▶ To facilitate the use of public transport and make the modal integration easier, in 2026 there will be 30,000 new hub-parkings.





INCREASED INVESTMENTS IN REGIONAL TRANSPORT

- ▶ A 4 Bn framework agreement already signed for the supply of **450 new regional trains** (300 with high capacity, 150 with medium capacity), in addition to 50 diesel trains.
- ▶ The forecasts provide an overall increase, by 2026, in the ratio seats/km between +8% and +10%.
- ▶ There is already a renewal process on going with 20% of the circulating fleet is renewed, thanks to the deployment of new trains delivered from 2014.





DIGITALIZATION – NEW TRAVEL EXPERIENCE

- ▶ FS will invest in a new *travel philosophy*, by offering comfortable tools to accompany them throughout the journey and providing real-time solutions to move in Italy and abroad
 - ▶ Information and advices, with chances and opportunities to take wherever they are
 - ▶ Development of a *journey planner who* knows the customer and recommend him for the best travel solution.
 - ▶ Big data and advanced analysis tools will be developed on modern digital platforms.
- ▶ The aim is an *Extended Customer Experience*, able to participate to the daily life of people, with services such as the travel companion, the indoor station mapping, the electronic wallet, the notifications about delays, the video chat and the social seating.

Ancillary Services:

Providing ancillary services taking advantage of partnership.



Travel Companion:

Assistance and information to customer throughout the trip.



Customer Engagement:

Catching unspoken needs and requests even through real time interaction on social networks.



Advanced Analytics e User Profile:

Analysis tools to increase understanding of customers habits and provide tailor made service.





INVESTMENTS IN INFRASTRUCTURE 62 BN

- ▶ **Sixty-two Bn in railway investments**, of which 33 billion for the conventional network, 24 billion for the HS/HC network and the European TEN-T corridors and 5 billion in technologies for infrastructure, enabling a modern and systemic mobility for people and freight:
 - ▶ **Terzo Valico, Galleria di base del Brennero and Turin-Lyon** to complete the Italian part of the four TEN-T corridors that cross our country and link the European regions with the most dense population and the most industrial and productive vocation;
 - ▶ **Milan-Venice HS/HC** which in December will step forward with the commercial activation of the Treviglio-Brescia line; infrastructure and technology upgrades in urban hubs of large cities (Milan, Genoa, Florence, Rome) to increase the traffic capacity and thus the number of trains during peak hours; in the South, the opening of the sites of
 - ▶ **Naples-Bari HC/HS** line, over 6 Bn to connect two areas reaching a share of more than 40% of market production in the Southern Italy; in Sicily, the **Palermo-Catania-Messina** corridor.
 - ▶ Acceleration of the **Adriatic corridor**, between Bologna, Bari and Lecce (completion expected in 2018), with an overall time saving of about one hour, and the **Salerno-Reggio Calabria**, thanks to the technological upgrade and the improvement of the train path.

MORE RAILWAY LINES



2.500 km
of tracks railways lines formerly
licensed to private

INTEGRATION OF ANAS

- ▶ The planned investments for ANAS are equal to 15.5 billion that, combined with the investments in the rail network, bring to over 78 billion the total amount for infrastructure.
- ▶ ANAS will be integrated in the FS group that will allow exchange of useful ideas and synergies for a systemic policy in the development of the connection throughout our country, by establishing a more efficient management of the tenders and the investment projects.
- ▶ In a first step, the synergies will consist precisely in a common vision of investment in road and rail infrastructure and cost rationalization, which will bring 400 million in savings.
- ▶ An objective is to use the technologies that RFI has installed on its network to develop **“smart streets” will play a key role: an example can be provided by the Swedish eHighway**, able to host electrified vehicles with low environmental costs thanks to the advanced signaling, communication and security systems.

ANAS INTEGRATION



25.000 km
of road network to
enhance services supply



FREIGHT – RUN BY MERCITALIA

- ▶ Planned investments of **1.5 billion** (of which 1.1 billion for rolling stock, 300 million for terminal and logistics and 100 million for ICT)
- ▶ Target revenues at 2.1 billion in 2026 (1 billion in 2016).
- ▶ Development of a single pole of logistics - the new Mercitalia, with the aim of restructuring the cargo business and rationalize the various freight operators active in the Group, in order to avoid overlapping and maximize efficiency.
- ▶ Mercitalia will operate through three companies – Mercitalia Rail, Mercitalia Logistica and Mercitalia Terminal
- ▶ The targets are the strengthening of the intermodality, the expansion into business with high added value, such as *freight forwarding* and, above all, treat the goods as travelers, by monitoring the transport service minute by minute, as established practice for all operators in the sector. .





INTERNATIONALISATION IS IMPORTANT IN THE PLAN

- ▶ Today, international travels represents 13% of total revenues, the goal is to reach 23% in 2026
- ▶ The aim is to double total revenue, and quadruple the current foreign sales of the Group, positioning FS to the level of the European competitors, with 4.2 billion in revenues in 2026.



INTERNATIONALISATION WILL HAVE 3 OBJECTIVES

- ▶ This growth will be realized by pursuing three main objectives:
 1. Act as **General Contractor**, with the ability to build railways, especially in countries with strong infrastructural gap. Worldwide, there are 200 railways companies but there are only seven countries with High-Speed lines. FS has the real opportunity to export its know-how, as will happen in Iran, where it is in charge for the construction of two new HS lines. Priority areas for international expansion are the Middle East (Iran, Saudi Arabia, Oman), India and Southeast Asia (Malaysia, Thailand, Singapore, Vietnam), the Americas (Brazil, Argentina, Colombia, Peru, US and Canada) and Africa (Ivory Coast, Congo and South Africa).
 2. Grow **rail market services abroad**. Trenitalia will export the high quality travel in other countries which now offers the HS system. Strengthening existing cross-border relations (for example the *Thello* services with France, the Venice-Ljubljana-Belgrade line or the new traffic with Switzerland thanks to the Gottardo and Ceneri openings) and target the most attractive European lines: Paris-Brussels, Paris-Bordeaux, Hamburg-Cologne, Milan-Zurich-Frankfurt (a link that will start at the end of 2017 crossing three countries), Athens-Thessaloniki (thanks to the acquisition of Trainose) and the London-Edinburgh line. All these international activities are possible thanks to the liberalization of the European railway area planned by the Fourth Railway Package, starting in 2020.
 3. Develop an strengthening the **LPT' international development**, that will be mainly implemented by leveraging the Group's presence abroad. The goal is finding opportunities in the rail/road modal integration for passengers transport in the cities served by the infrastructure projects implemented by the Group.

MEETING WITH RFI ON THE 14TH OF DECEMBER

- ▶ BuS will meet the CEO of RFI and discuss possible collaborations with Sweden and Swedish companies
- ▶ This is a follow up meeting after the first meeting in October.
- ▶ There are very good relations with RFI and other parts of the FS group
- ▶ The goal of the meeting is to establish a long term collaboration with FS and promote SWERIG and it's members
- ▶ Are you interested in participating? Meet me after the presentation!

THANK YOU!