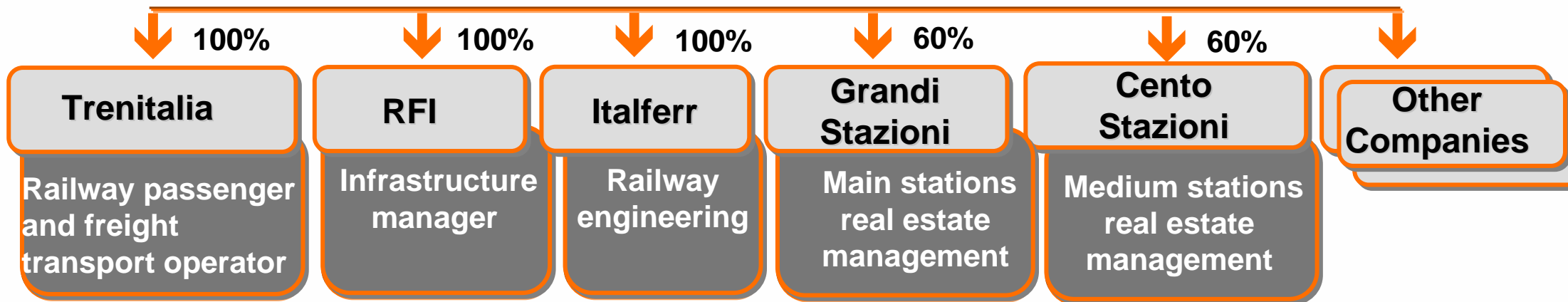
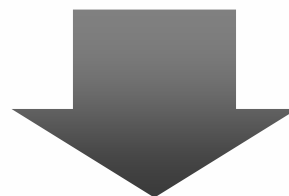




**Railway transport in times of global economic
meltdown and the future recovery
Challenges and opportunities**

Ferrovie dello Stato Group

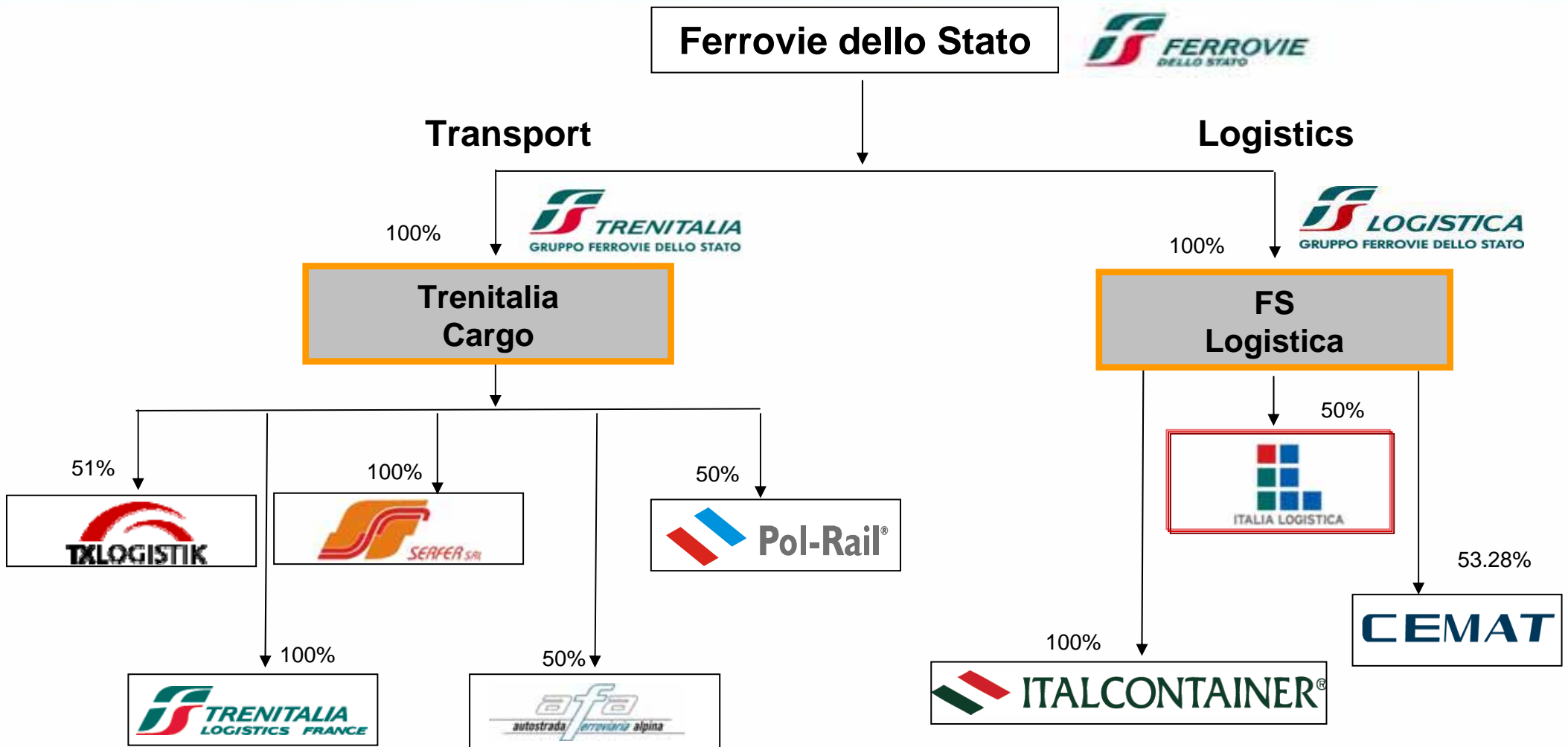
Ferrovie dello Stato



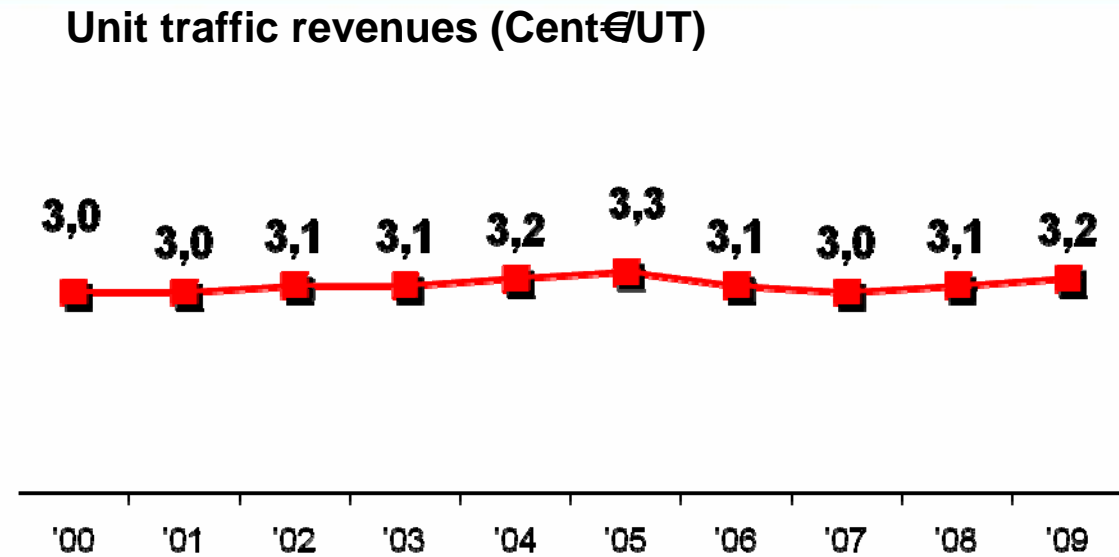
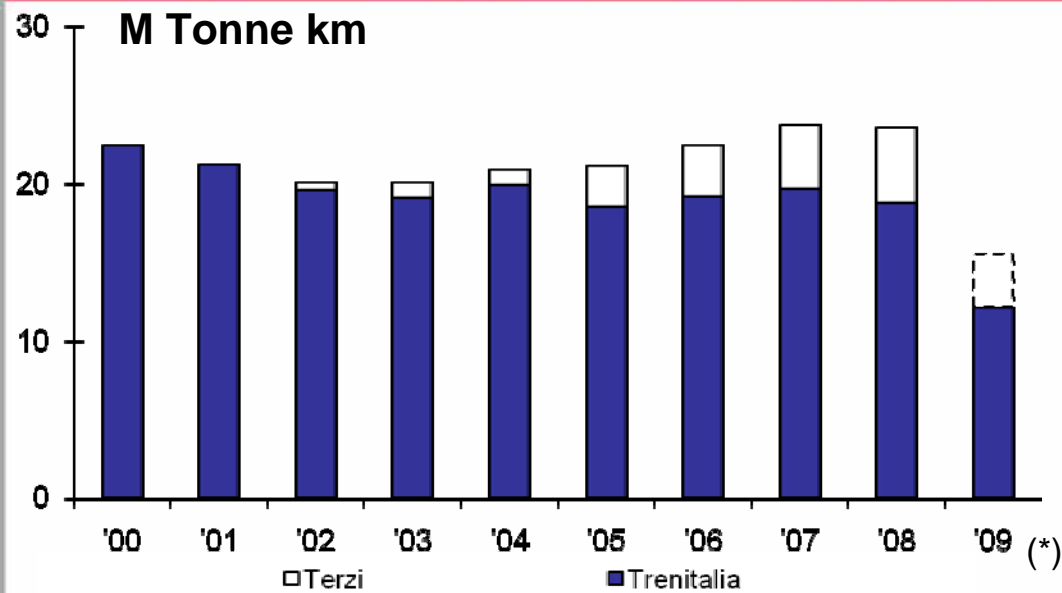
Trenitalia's main figures

□	People	42,174 employees
□	Fleet	2,100 locos, 113 EMU 1,950 light trains, 7,500 coaches +30,000 wagon
□	Passenger kms	44.29 Bn
□	Tonne kms	17.28 Bn
□	Revenues	5,340 M€

Freight business in FS Group

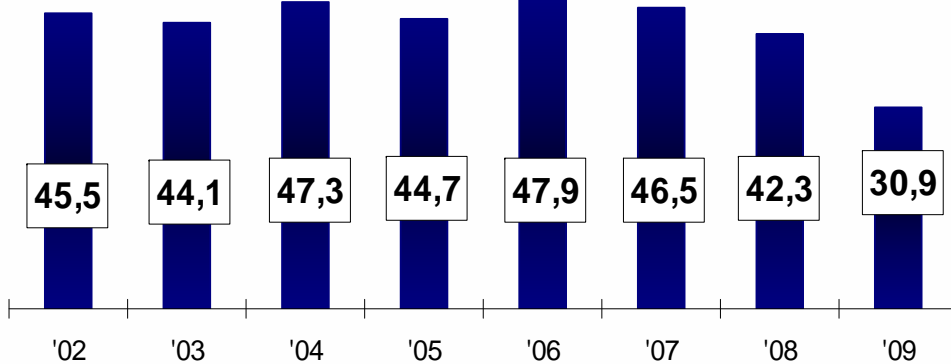


Market liberalization in Italy (without PSO)



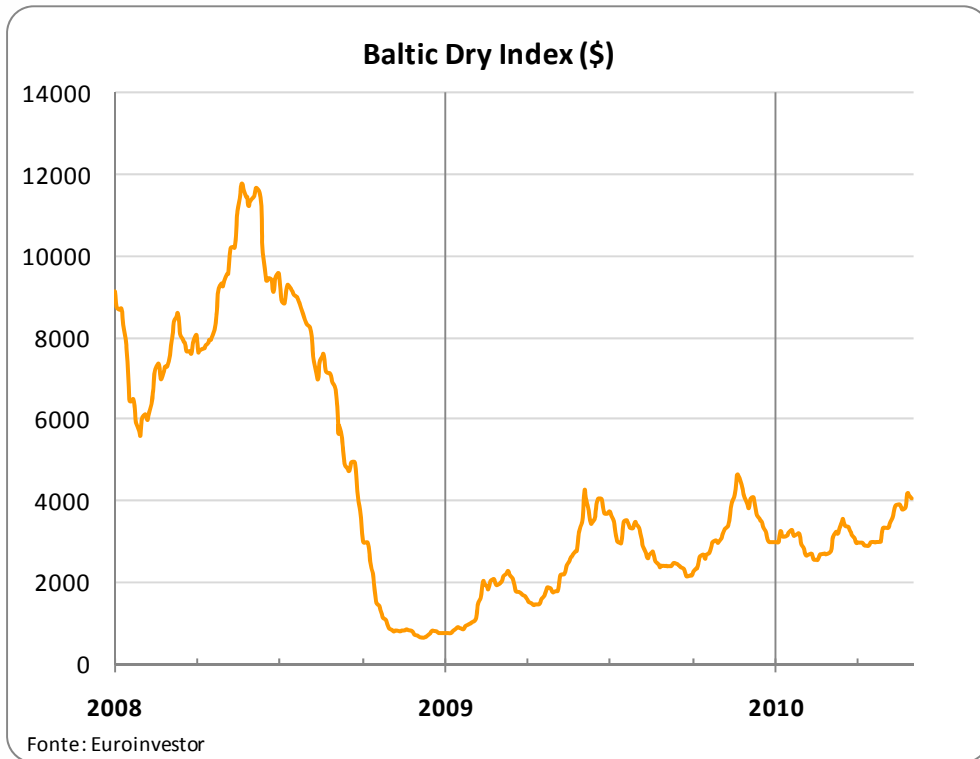
M train.km (%)

TreniKm

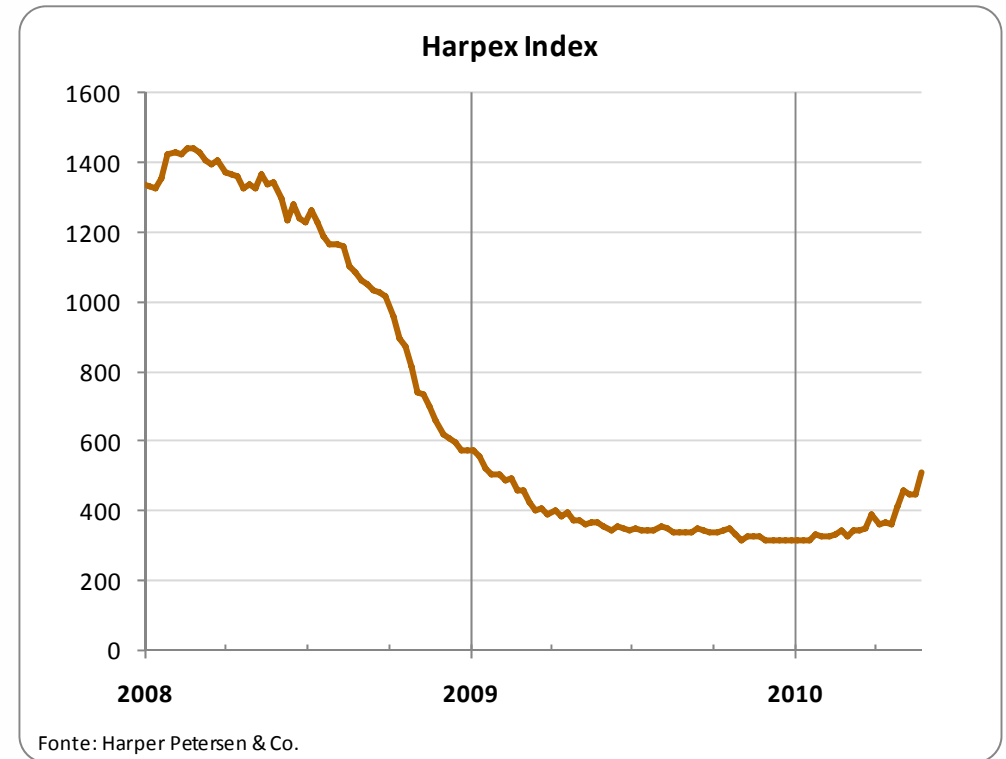


- No effect due to competition: **traffic volumes** and **“service costs”** stable
- Newcomers reach in 2009 almost 30% of market share with almost stable growth

The crisis: Sea freight trends



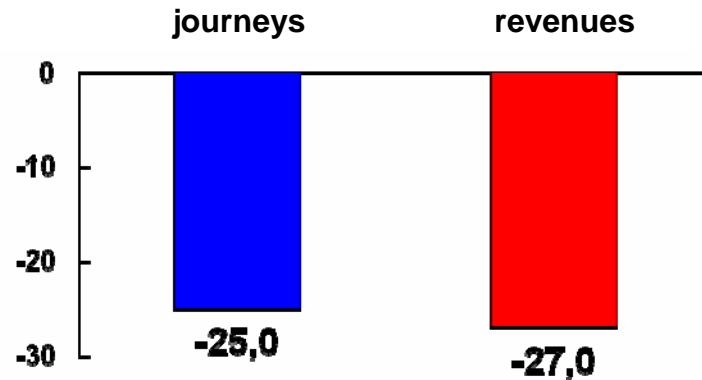
- The index of rates for dry goods ships shows a trend of recovery due to the Chinese market demand



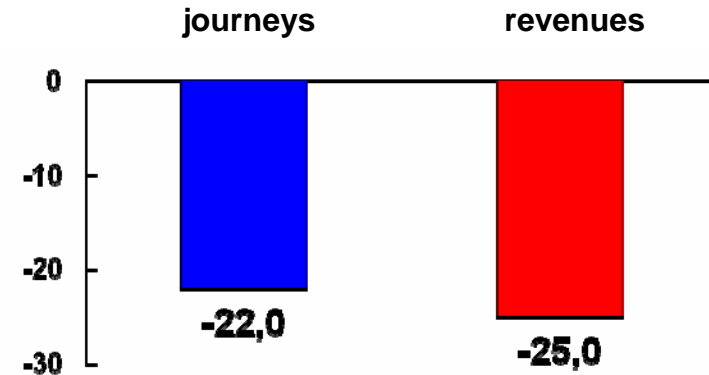
- The index of costs for container ships is on the upturn (due to the stall plan, service cutting operated by ship owners and the recovery of world commerce) but nevertheless below the levels of before the crisis

The crisis: Freight traffic reduction in Italy

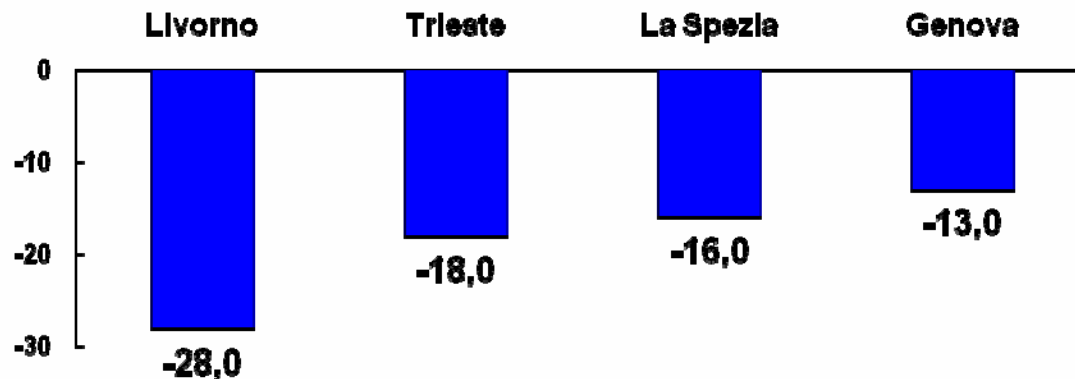
Domestic road traffic (2009/2008 %)



International road traffic (2009/2008 %)



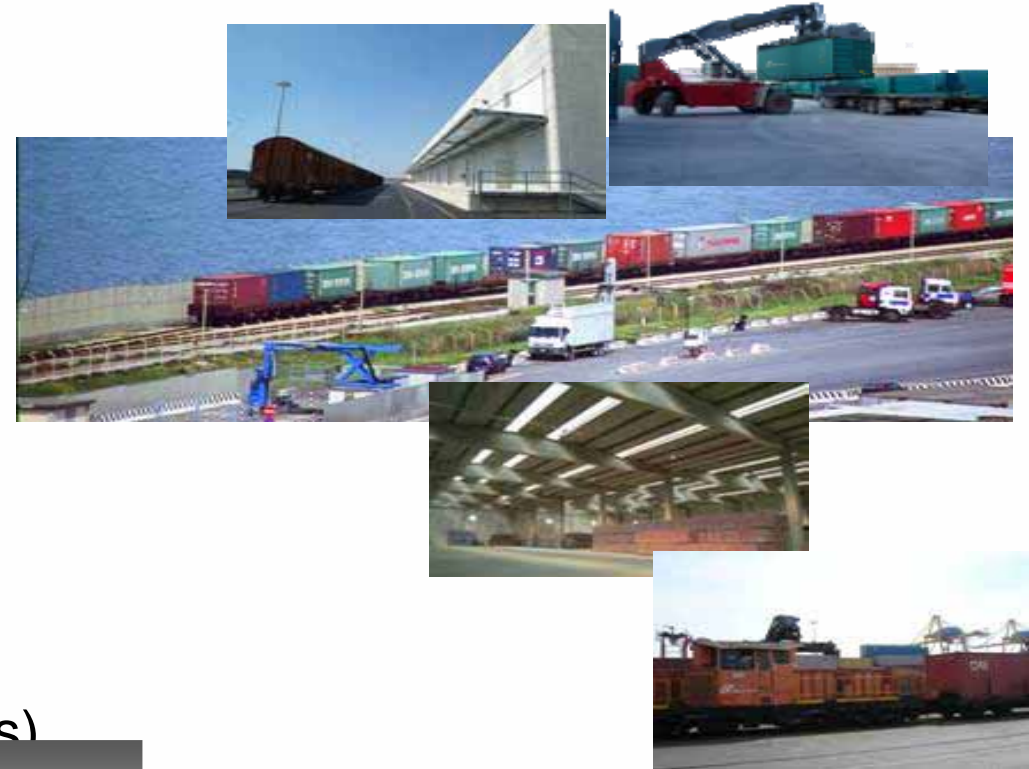
Container traffic in ports (2009/2008 %)



Source: Confetra

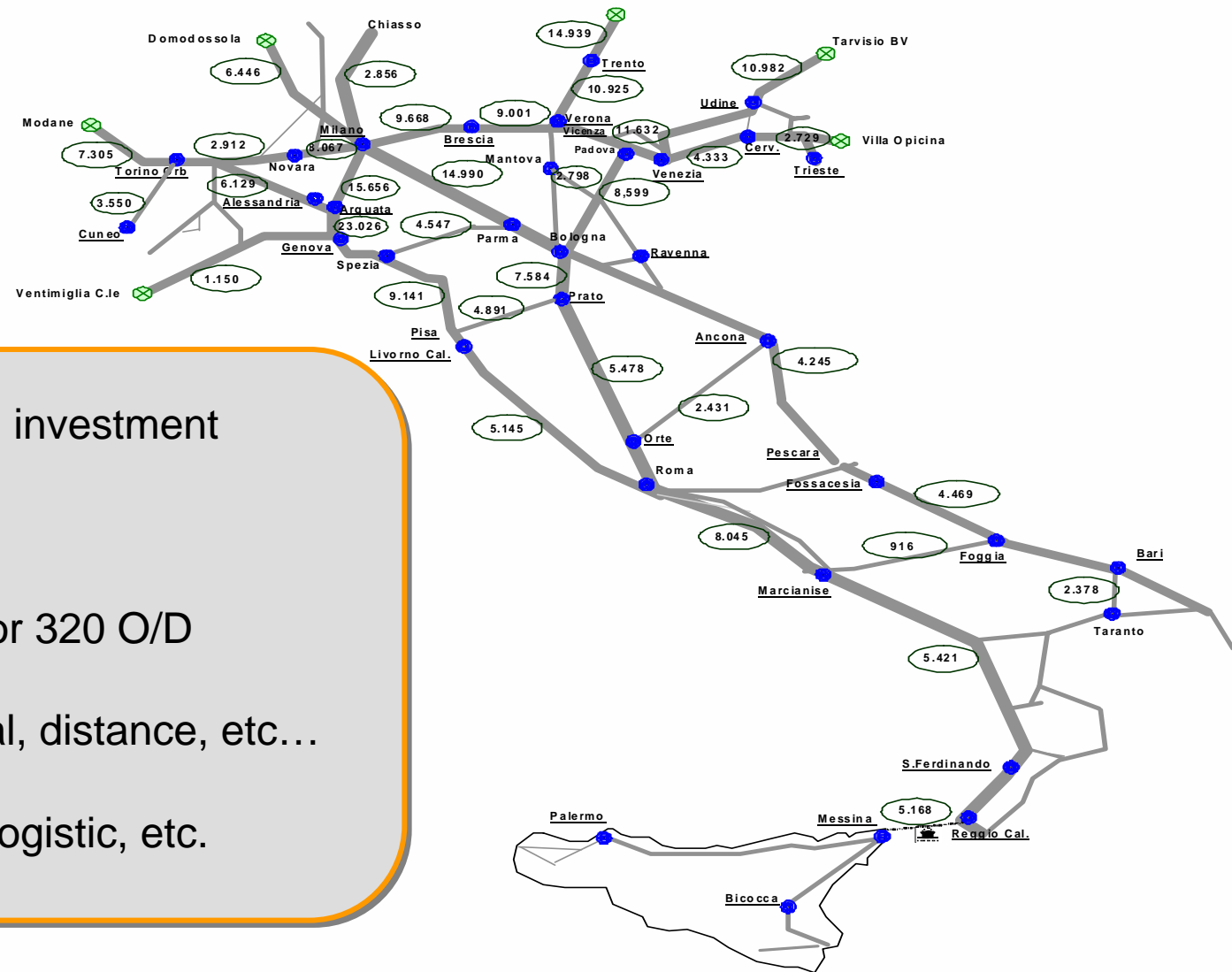
FS strategies in freight business

- ❑ Point to point approach
- ❑ Focus on heavy traffic flows
- ❑ Rightsize terminal network
- ❑ Technology and process innovation
- ❑ International development
- ❑ Expand on the value chain (Logistics)
- ❑ True partnership with other players
- ❑ Enhance value of assets (Inland Terminals)



Break even in 2011
Recovery of volumes from 2011

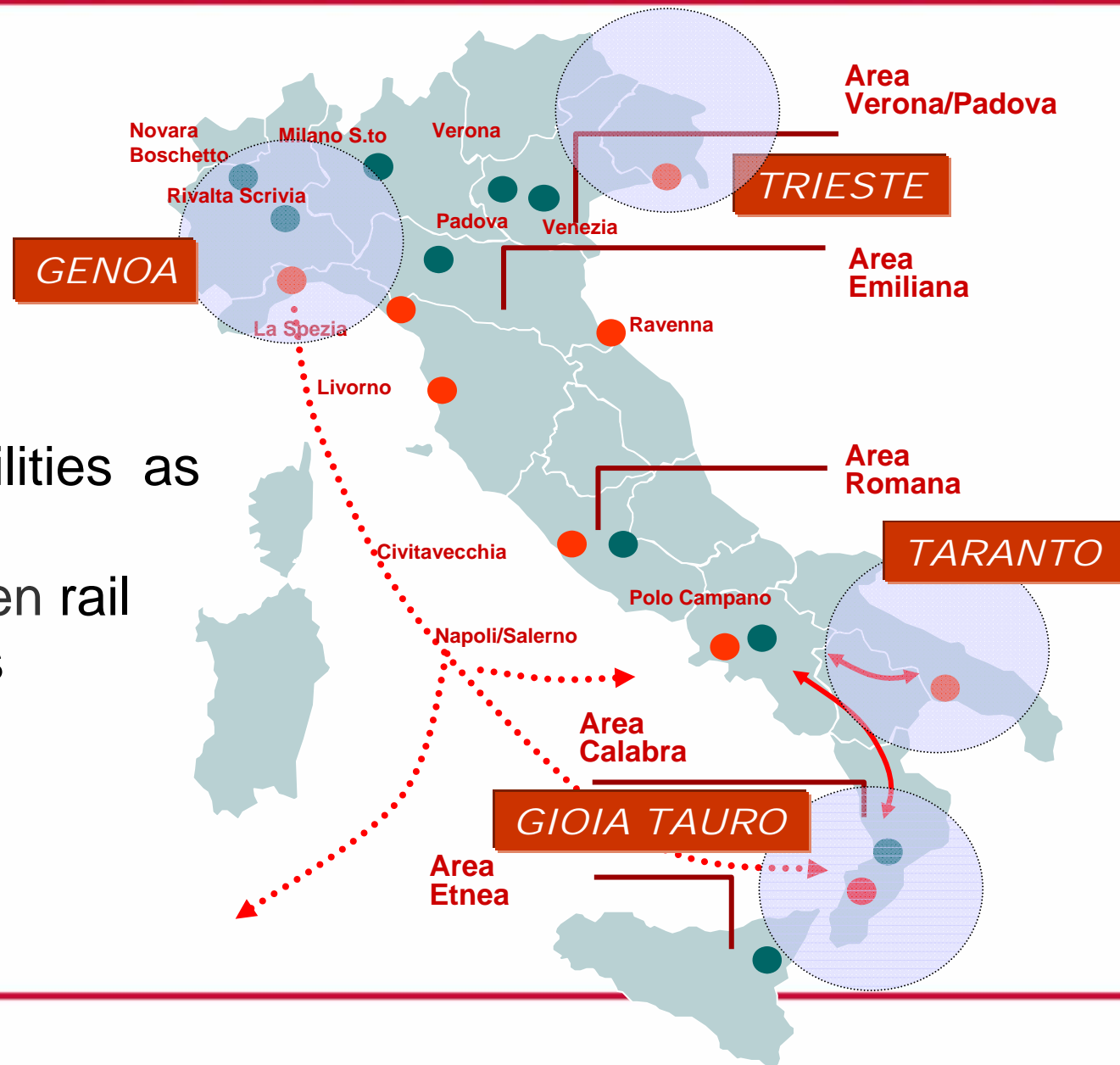
Point to point approach: new offer 2011



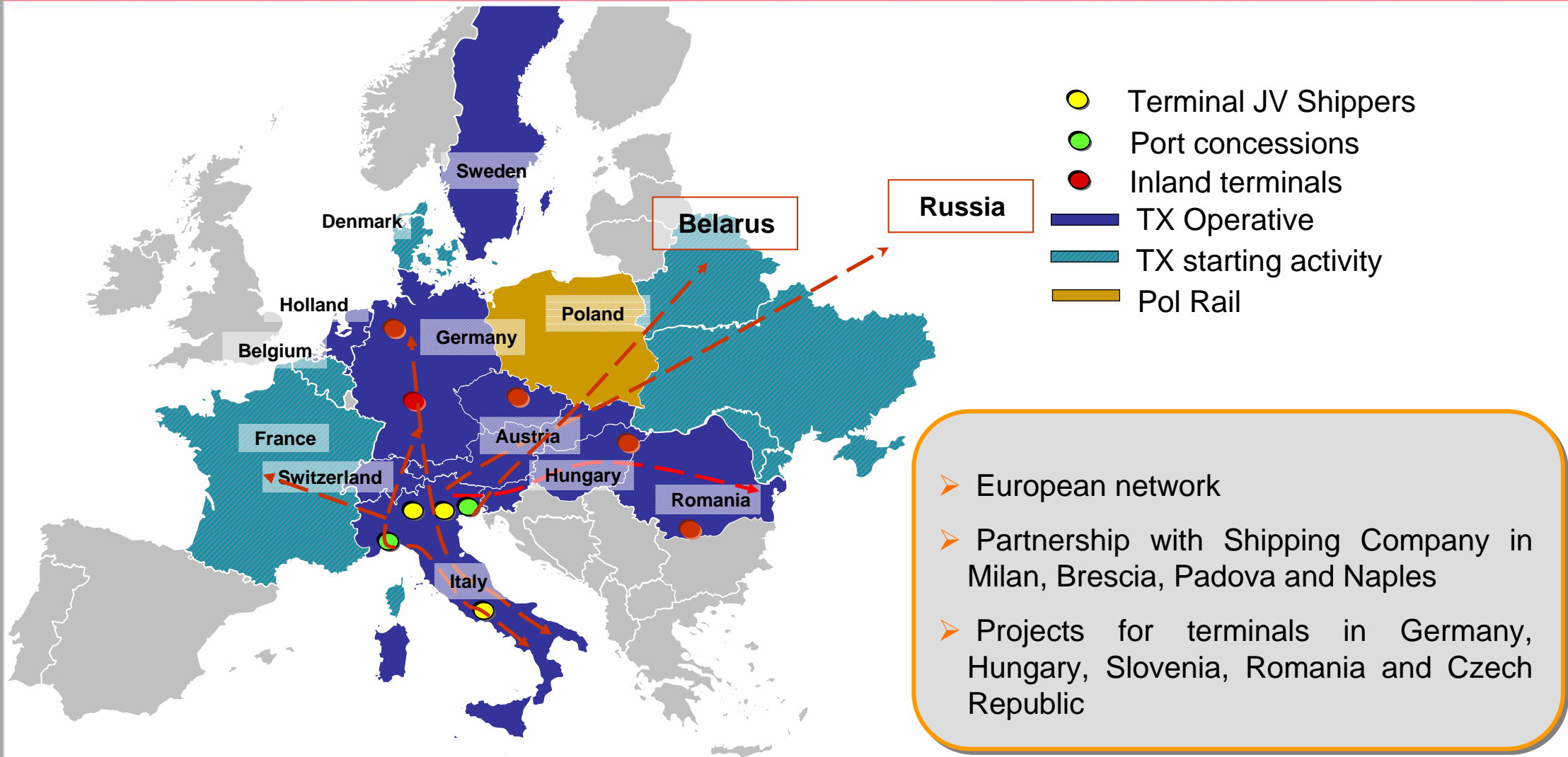
- Each service/line as a single investment
- Dedicated assets
- Clear and transparent offer for 320 O/D
- Price drivers: time, n. terminal, distance, etc...
- Optional services; shunting, logistic, etc.

The Ports: the Italian gateway towards markets abroad

- Improve dock access facilities as well as the “hinterland” infrastructure to strengthen rail services to/from the ports

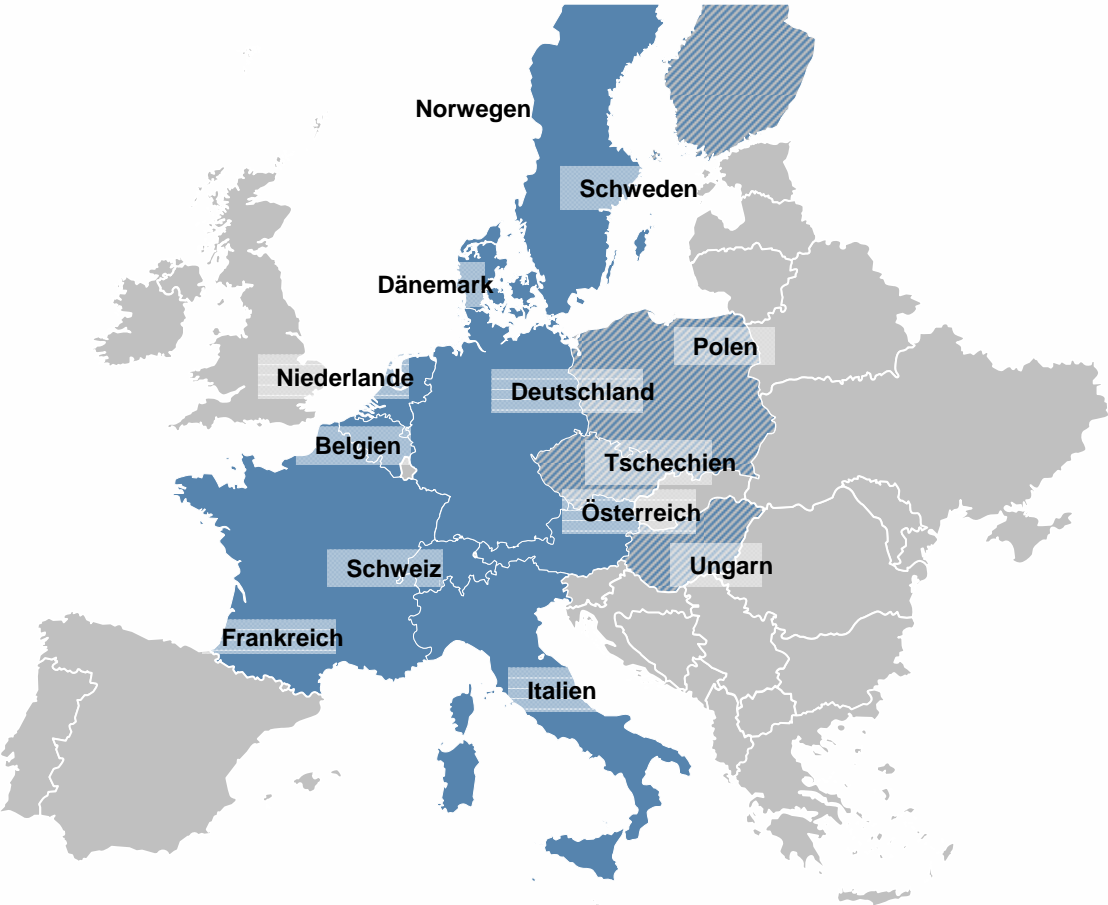


International development

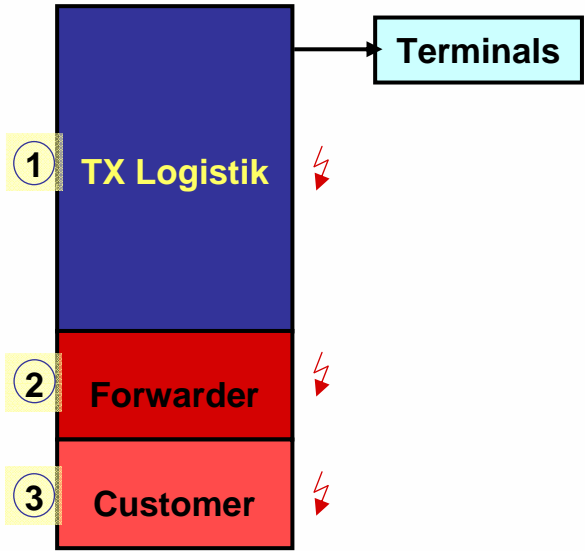


TX Logistik Business Model

Seamless link



Streamlined commercial chain



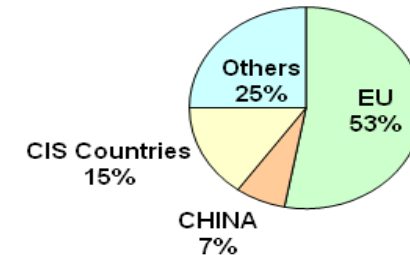
Only 3 steps between customers and final delivery, against 7/8 of traditional incumbent

Russian international trade

Import/Export Russia and the Main Partners

Commercial trade Russia-Italy

Import (€)	Jan- Dec 2008	Export (€)	Jan- Dec 2008
Crude Oil	11.000.000	Machinery	1.190.000
Steel product	1.748.000	Clothes	1.096.000
Oil refined	1.600.000	Furniture	842.000
Metal	235.000	Footwear	599.000



- Commercial trade with EU = 192 billion \$
- Italy is the 2° commercial partner within the EU
- Main products:
 - raw materials and semi finished products (from Russia to Italy)
 - special machinery, furniture and motor vehicles for imports (from Italy to Russia)

The CIS Countries market is of great relevance for Italy