RDG Stations Summit 2018

The FS Group strategic development of stations

Sara Venturoni
CEO Centostazioni SpA
Responsible for Railway Stations Department RFI SpA

14 giugno 2018
INDEX

1 Evolution of the station development strategy
2 The new strategy 2017-2026
3 Focus on the investment model
4 Don’t forget...
5 Key messages and open issues
Evolution of the station development strategy

Summary – early 90s to date

1. 90s - Real Estate Development + High Speed Project

2. Early 2000s
   ▪ SPVs for the restyling & commercial enhancement of the main stations:
     ▪ Grandi Stazioni SpA
     ▪ Centostazioni SpA

3. 2000s International design competitions for the new High Speed stations and urban transformations

4. 2015 Extraordinary operations – demerge / carve-out / merge

5. 2017-2026 the FS Group new strategy

Trade-off between commercial enhancement and station’s role as an urban mobility hub, with RFI as the unique process owner for the development strategy and execution regarding railway stations.
Evolution of the station development strategy

90s, the determining factors

Progressive automation of the stations, spaces previously used for various operations to be destined for new use, cost reduction.

- Existing stations: restyling + commercial enhancement = upgrade quality & provide new services.

Spin-offs companies responsible for refurbishing and commercial enhancement of the main stations:

- in 2000 Grandi Stazioni SpA was established (13 large stations)
- in 2001 Centostazioni SpA was established (103 medium-sized stations).

Achievement of the High Speed (HS) network, rearrangement of the urban nodes due to the construction of the new HS lines and new HS stations, destination of large areas for urban development with the aim of financing the works.

- New stations: a new approach to urban design and implementation.

~ 2,200 stations in total
Evolution of the station development strategy

GRANDI STAZIONI SpA

Milano Centrale Station
Evolution of the station development strategy

GRANDI STAZIONI SpA

Milano Centrale Station
Evolution of the station development strategy

GRANDI STAZIONI SpA

Roma Termini Station
Evolution of the station development strategy

GRANDI STAZIONI SpA

Roma Termini Station
Evolution of the station development strategy

Facts & figures (*) - Grandi Stazioni SpA

Ownership = 60% Ferrovie dello Stato + 40% privately owned

Perimeter = 13 main stations (+ Roma Tiburtina starting from 2010)

2000 to 2016:

Total investment costs = around 730 mln € (of which 270 mln € RFI + 150 mln € private financial coverage + 300 mln € public grants due to improve interchange services)

Total square meters converted for commercial use = 260,000 sqm

Revenues from sales and ADV, 2000-2016 = around 1,4 bln €

Retrocession fees obtained by FS = around 500 mln €

In 2016 Ferrovie dello Stato decided to demerge Retail branch (GS Retail) from Grandi Stazioni SpA and promoted a «carve-out» of GS Retail for a result of 950 mln € shareholders net income.

In the next 20 years FS will receive from GS Retail a huge amount of retrocession fee, explained in accordance with the business model.

(*) the above outlook doesn’t show the impacts in term of distribution of dividends
Evolution of the station development strategy

CENTOSTAZIONI SpA

Milano Porta Garibaldi Station
Evolution of the station development strategy

CENTOSTAZIONI SpA

Milano Porta Garibaldi Station
Evolution of the station development strategy

Facts & figures (*) – Centostazioni SpA

Ownership = 60% Ferrovie dello Stato + 40% privately owned
Perimeter = 103 medium sized stations
2001 to 2017:
Total investment costs = 185 mln € (of which 126 mln € RFI + 59 mln € private financial coverage)
Total square meters converted for commercial use = 500,000 sqm
Revenues from sales and ADV, 2001-2017 = around 500 mln €
Retrocession fees obtained by FS = around 198 mln €

In 2017 Ferrovie dello Stato repurchased the 100% ownership of the company to promote:
- a partial demerger of Retail branch (5 targeted stations), through a vehicle company (CS Retail)
- a «carve-out» of CS Retail – sale procedure still under progress
- the merger of Centostazioni with RFI SpA.

(*) the above outlook doesn’t show the impacts in term of distribution of dividends
Evolution of the station development strategy
Demerge / carve-out / merge.. still under progress

Investment opportunity

- Attractive market fundamentals
  - Travel retail market
  - Commercial real estate market
  - OOH and DOOH advertising market

- Retail Stations’ attractiveness
  - Appealing retail areas
  - Opportunity to exploit the advantages of retail business in stations
  - Opportunity to exploit the advantages of advertising business in stations

- Significant growth potential to be unlocked
  - Stations as potential intermodal transportation hub
  - # of commercial areas
  - More modern and better performing Retail Stations
  - Development of surrounding areas
  - Potential for attracting new retailers
Evolution of the station development strategy

2000s – investment model for the new High Speed stations

Rail Infrastructures and Urban Transformations

- The FS Group as a key player in the process of urban renewal
- The importance of development plans the cities must invest in, for their own growth
- Careful attention to rail infrastructures through ambitious architectural projects, influencing the redevelopment of parts of the city
- Partial financing coverage due to sale procedures of building rights of the transformed areas.
Evolution of the station development strategy

2000s – Architecture of XXI century, the international competitions for the new High Speed stations

**Torino Porta Susa**
- **Progetto:** Gruppo AREP
- **Superficie:** 47.500 mq
- **Costo:** 400 mln€
- **SAL:** 100%
- **Attivazione:** gennaio 2013

**Firenze Belfiore**
- **Progetto:** Norman Foster & Ove Arup
- **Superficie:** 48.700 mq
- **Costo:** 410 mln€
- **SAL:** attivato set. 2011 lo scavalco; in corso realizzazione Lotto 2 (passante e stazione)
- **Attivazione:** under progress

**Napoli Afragola**
- **Progetto:** Zaha Hadid Architects
- **Superficie:** 20.000 mq (estendibili di altri 10.00 mq)
- **Costo:** 104 mln€
- **SAL:** avanzamento lavori al 70%
- **Attivazione:** giugno 2017

**Bologna Centrale**
- **Progetto:** Bofill Taller de Archictectura
- **Superficie:** 42.000 mq
- **Costo:** 435 mln€
- **SAL:** 100%
- **Attivazione:** 9 giugno 2013

**Roma Tiburtina**
- **Progetto:** ABDR (Paolo Desideri)
- **Superficie:** 50.000 mq
- **Costo:** 196 mln€ + la sola stazione + opere complementari
- **SAL:** 100%
- **Attivazione:** dicembre 2010 (1^ fase); dicembre 2011

**Reggio Emilia**
- **Progetto:** Santiago Calatrava
- **Superficie:** 8.000 mq
- **Costo:** 79 mln€
- **SAL:** 100%
- **Attivazione:** 9 giugno 2013
Evolution of the station development strategy

High Speed Stations

Paribas

Roma Tiburtina + Headquarter BNP
Evolution of the station development strategy

High Speed Stations

Roma Tiburtina + Headquarter BNP
Evolution of the station development strategy

High Speed Stations

Torino Porta Susa + Headquarter Banca
The new strategy 2017-2026

The challenge of integrated and sustainable mobility
From European strategy to national planning: vision and targets

A single integrated European transport market, inherently sustainable and multimodal. Shared rules and technical infrastructure parameters.

“Connecting Italy” to ensure passenger and freight mobility, making Italy accessible to international markets.

Development of rail infrastructure able to respond to integrated mobility needs and ensuring sustainable land use.

The context

The first level of planning - national transportation policy

The role of FS Group within the national policy
The new vision of FS Group
A long term comprehensive plan for passengers and logistics

... from competition to co-opetition

5 Strategic Pillars
- Modal integration
- Integrated Logistics
- Integrated infrastructure
- International Development
- Digital & Customer Centrality
The new vision of FS Group

The RFI Investment Plan

57 billion € of works to be realized 2017-2026, largely already funded in the Planning Agreements with the State

- Major works on european corridors (20 bln)
- Long-haul passenger & freight axes (8 bln)
- Urban nodes and regional lines (7 bln)
- Last mile connections and interoperability (1 bln)
- Reliability, safety, security & technological upgrade (21 bln)
The new vision of FS Group

Urban nodes and regional lines, main goals

ERTMS High Density urban nodes (km)

- 100% nodes Equipped with ERTMS HD
- Scenario 2021
- Scenario 2026

Intermodal hub

- More than 600 upgraded stations

Upgrading (increasing of speed and capacity)

- More than 1,600 km of lines with speed increase

Scenario 2021
Scenario 2026
The new vision of FS Group

A new strategy for stations

The station becomes

promote interchange
make the station a pole of services integrated with the city
enhance properly the different business

INTERMODAL HUB
SMART, new features and services

Key words
The new vision of FS Group

A new strategy for stations

An efficient transportation ‘node’ feeds the services and functions of the ‘pole’ increasing value thanks to the best accessibility

A highly attractive ‘pole’ feeds converging transport services in the ‘node’

In The Netherlands The Deltametropolis Association conducted a study on 60 station areas to better use the space around the stations of Noord-Holland and identified, using the butterfly model, new categories of stations.
Focus on investment model
A new season for investments

A clear investment decision framework

1. The infrastructural planning process starts from the definition of objectives and strategies. It outlines a shared national unit framework, to define infrastructure needs through quantitative assessment instruments.

2. The multiannual planning document (DPP) will include and make coherent all plans and investment programmes for public works, while respecting the constraints of expenditure and in coherence with objectives and strategies.

3. Quality projects will be guaranteed with reliable times and matching costs. It is possible to revise the previous choices (Project Review) according to the changed market conditions.
**A new season for investments**

**Investment on stations**

<table>
<thead>
<tr>
<th>NUMBER OF RELEVANT STATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grandi Stazioni</strong></td>
</tr>
<tr>
<td><strong>Centostazioni</strong></td>
</tr>
<tr>
<td><strong>RFI</strong></td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>103</td>
</tr>
<tr>
<td>500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NUMBER OF PASSENGERS: MLN PAX / YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RFI</strong></td>
</tr>
<tr>
<td>325</td>
</tr>
<tr>
<td>350</td>
</tr>
<tr>
<td>526</td>
</tr>
</tbody>
</table>

1,201 MLN PAX entering & exiting within the 620 stations

2.195 active stations in total

620 stations

- Grandi Stazioni Rail
- Centostazioni
- RFI - 500 St
- RFI - 1575 St
A new season for investments
Investment on stations, a participatory process

Municipalities & RFI
A new season for investments

Smart stations investment program: 2,5 bln € to upgrade 500 existing stations in the next 10 years

Accessibility – STI PRM
Interoperability standard (platforms)
Upgrading passenger information
Automated access control
WI-FI
Smart energy management

<table>
<thead>
<tr>
<th>Costo</th>
<th>Finanziamenti</th>
<th>Fabbisogni 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piano 2019-20XX</td>
<td>LdF 2017-2021</td>
<td>%</td>
</tr>
<tr>
<td><strong>Easy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessibilità</td>
<td>710</td>
<td>255</td>
</tr>
<tr>
<td>Marciapiedi h.55</td>
<td>795</td>
<td>270</td>
</tr>
<tr>
<td>Upgrade sistemi IaP</td>
<td>284</td>
<td>195</td>
</tr>
<tr>
<td>Fruibilità, decoro e branding</td>
<td>793</td>
<td>201</td>
</tr>
<tr>
<td><strong>Totale Piano Stazioni</strong></td>
<td><em><strong>2.582</strong></em></td>
<td><em><strong>921</strong></em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Avanzamento e capacità di spesa</th>
</tr>
</thead>
<tbody>
<tr>
<td>impiegato (OdA)</td>
</tr>
<tr>
<td>176</td>
</tr>
<tr>
<td>202</td>
</tr>
<tr>
<td>74</td>
</tr>
<tr>
<td>126</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Smart</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tornelli 2.0</strong></td>
</tr>
<tr>
<td><strong>Wi-Life</strong></td>
</tr>
<tr>
<td><strong>SEM</strong></td>
</tr>
<tr>
<td><strong>Totale Piano Stazioni</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Coerentemente (2019-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Totale Piano Stazioni</strong></td>
<td><strong>3.242</strong></td>
</tr>
</tbody>
</table>

*Costs, investments, and capacity of expenditure for the next 10 years.*
A new season for investments

Smart stations investment program: 2,5 billion € to upgrade 500 existing stations in the next 10 years
A new season for investments

Smart stations investment program: 2.5 billion € to upgrade 500 existing stations in the next 10 years
Don’t forget ...
Don’t forget...

Small stations

Stations that are not fit for the use of retailers.

Basic equipment to ensure primary services for passengers (interchange, ticket-machines, information, safe waiting areas, access to platforms).

Real estate as an opportunity to promote community life.

Corporate Social Responsibility:

Social value, with the reduction of operating costs.

Touristic, environmental and cultural potential to take advantages of.
Don’t forget...
Small stations = Enhancement of history and culture

PIEMONTE Borgo San Dalmazzo (CN) - *stationed coaches not to be forgotten*

The remembrance memorial 1943-1944.

*a PPP project*
managed by Municipality
Don’t forget...

Small stations = Enhancement of tourism and landscape

LOMBARDIA Chiavenna (SO) – Valchiavenna

Information and travel services for tourists.

Resting area.

a PPP project managed by Municipality
Greenways

Replace train tracks with cycle paths

1,451 km of lines no longer in operation
Key messages and open issues
Key messages & open issues

Intermodality: a shared goal, but with different actors

Nowadays intermodality is at the centre of the mobility strategy at all levels:
- EU
- Membre States
- Regions/Cities
- Railways

But referring to «last mile solutions», most of them ARE NOT managed by Railways:
- Metro/tram/bus
- Taxi
- Car/Scooter/Bike Sharing
- Bike lanes and bike parking
- Parking areas
- Charging points for EVs
- Car/bike rentals
- Car pooling systems
Key messages and open issues

SUMPs: a common playground

Often there’s a lack of dialogue between Railways and Cities on how to address properly the issue of intermodality.

MAAS is a matter of:

- IT (ex: travel planners)
- Space (i.e. station squares)

And in some cases there are some conflicts/uncertainty regarding the outer part of the station (property/management).

Today, thanks to the EU SUMPs Guidelines, there is a common playground where Cities, Railways and other stakeholders, can share their strategies and co-design intermodal services and spaces.
Key messages and open issues

Targeted financial programmes for «train + last mile solutions»

One possible solution to boost urban intermodality could be the implementation of more powerful targeted financial programmes to promote specific «train + last mile solution».

All over Europe Railways are the backbone of sustainable mobility.

Implementing «door-to-door» solution based on railway station spaces would be a successful investment, for Cities and for Railways.

(*) tomorrow our CEO will attend the PRIME meeting in Amersfoort, Netherlands to discuss these open issues
Key messages and open issues

Partnership model

There isn’t an investment and financial model that fits for all the requirements. It depends on the goals of different strategies, different market conditions, different contexts or potential.

• In all of these kinds of projects the constant measure of success is the cooperation between all the stakeholders, working together to achieve the shared goals.
• Promote a common playground is, often, the first step.
• But most of all what makes the difference is the will. and, of course, a good management to ensure certainty in quality, costs and times.
Thank you for your attention