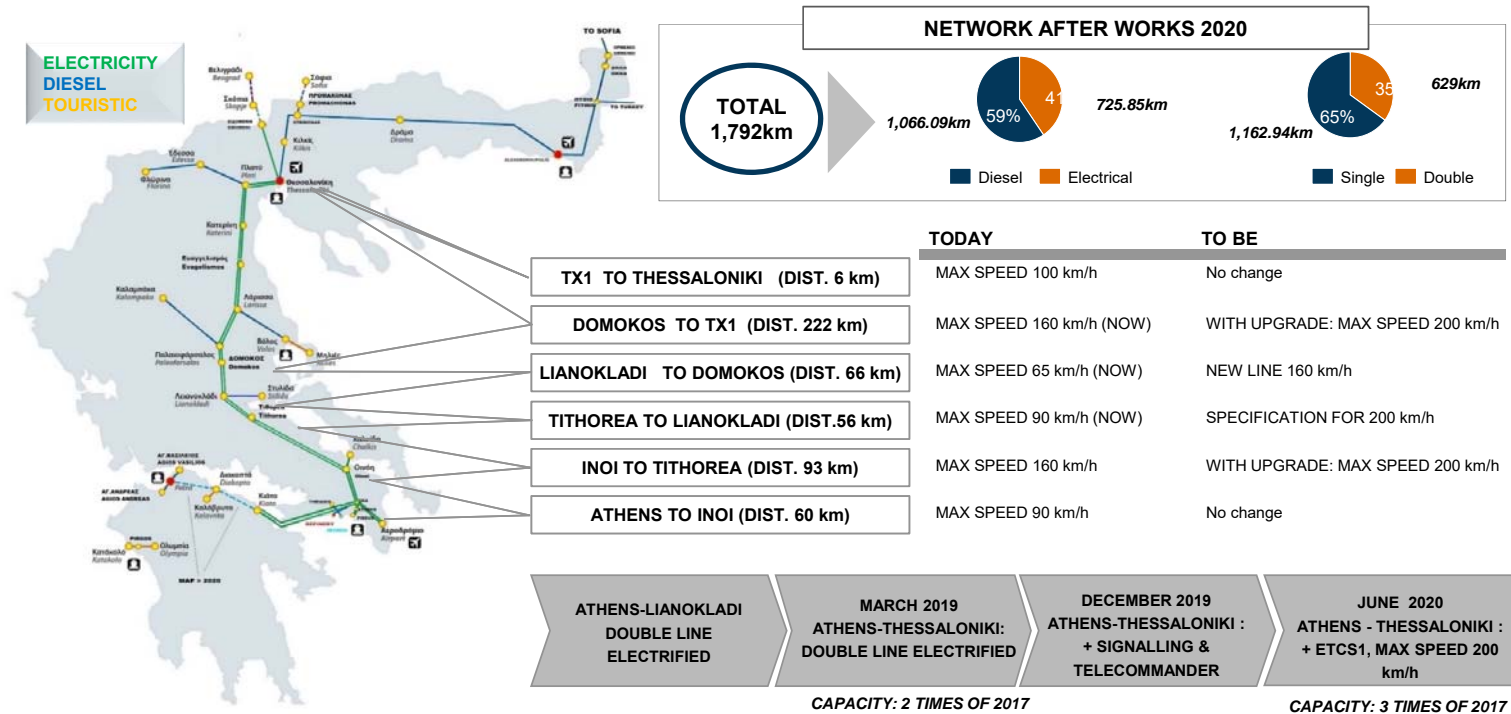


TRAINOSE and the Greek Railway Perspective

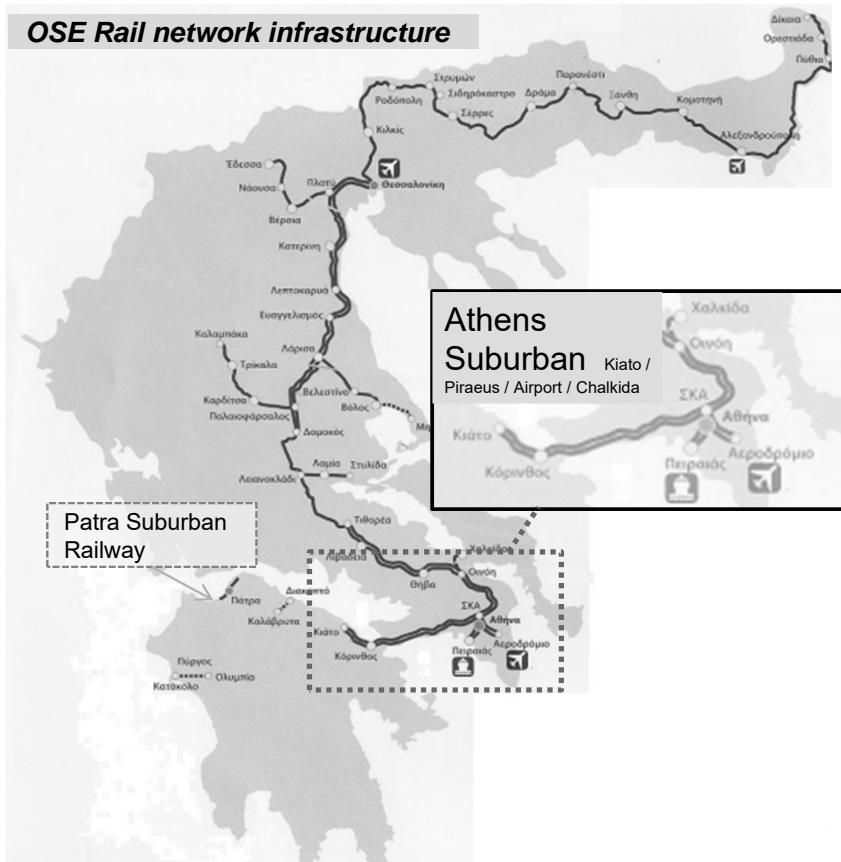


TRAINOSE's financial results are driven by a number of major changes across the network



TRAINOSE has a unique positioning in the Greek rail market being the leading market operator

OSE Rail network infrastructure



TRAINOSE overview

TRAINOSE S.A. holds a European Rail Operator license and is the main railway operator in Greece providing suburban, regional, freight and passenger rail transport services.

In 2017 it carried 15.4 million people, of which 8.2 million in the suburban and 7.2 million in the regional area, as well as 1.3 million tonnes of goods. TRAINOSE has 637 employees and leases 1,160 units of rolling stock. The main line on which it operates daily is Athens – Thessaloniki and the suburban network.

Operating activity

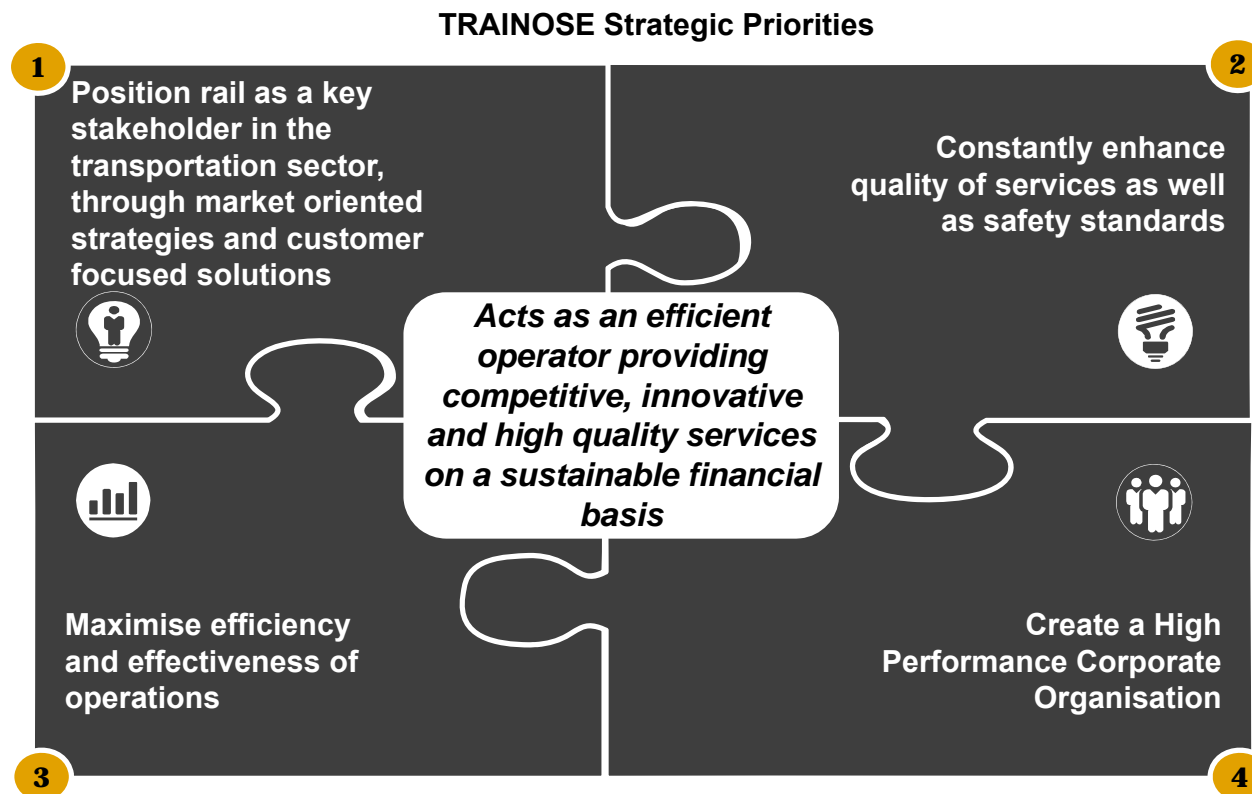
TRAINOSE operates on the Greek rail network which runs from South to North, serving the largest cities in the country. Currently, the local railway sector is undergoing a significant transformation: a major construction programme is underway and major electrification and tele-commanding works are expected to be completed by 2020, which will lead to a significant increase of network capacity and leverage railway services.

A major milestone in the railway infrastructure evolution comes with the finalisation of a 17km-long line which connects Ikonio Port in Piraeus with the Thriassio Logistics Centre, as well as with the entire Greek railway network. This line is expected to boost freight activity from the increased absorption of containers transported through the port of Piraeus.

It is an opportunity of growth the freight railways transport in the Balkans due to the strategic location of Greece on the corridor TEN-T Core Network Orient-East/Med (OEM). The company is also servicing the two main Greek ports of Piraeus and Thessaloniki, as well as other Greek ports (e.g. Volos, Alexandroupolis). A strong growth in traffic volumes to and from Greek ports is expected in the upcoming years.

Source: www.trainose.gr, www.ose.gr

The vision of TRAINOSE is to act as an efficient operator providing competitive, innovative and high quality services on a sustainable financial basis



TRAINOSE acquisition – FS strategic rationale

- ❑ the acquisition of TRAINOSE is fully consistent with the strategy of strong international development (passenger transport, logistics, infrastructure) of the FS Group
- ❑ it represented the first step in the Greek market of local and extra-urban public transport services. It could be a good change to manage the urban services of Athens, Thessaloniki and Patras in synergy with the railway offer, best exploiting the FS know how and expertise to integrate road-rail services
- ❑ it is an opportunity of growth in the freight railways transport in the Balkans due to the strategic location of Greece on the corridor TEN-T Core Network Orient-East / Med (OEM). TRAINOSE is also servicing the two main Greek ports of Piraeus and Thessaloniki (whose privatization procedure have already been completed), as well as other Greek ports (e.g. Volos, Alexandroupolis). It's expected a strong growth in traffic volumes to and from Greek ports.
- ❑ significant infrastructure investments are ongoing (financed from EU funds) that will be completed in the 2019/2020 that will allow an upgrading of railway infrastructure (higher speeds on the network, greater infrastructural capacity, reduction in operating costs) and therefore the modernization and improvement of the transport service



ROSCO – company overview

Company Description

- ❑ ROSCO was established in 2013 as an independent corporate entity following the spin-off of the rolling stock maintenance unit of OSE.
- ❑ ROSCO is uniquely positioned in the Greek market, being the only rolling stock maintenance provider for all types of rolling stock, including electric and diesel locomotives.
- ❑ ROSCO has entered into a number of long-term lease contracts with GAIAOSE for the assets (workshops and rail depots) it operates.

Main Services

- ❑ Core activities include the provision of services relating to the maintenance, repair, reconstruction and preventive maintenance of rolling stock, other rail materials and other track-based modes.
- ❑ Day-to-day/light maintenance services (e.g. servicing, inspection, examination and repair of defects, scheduled repairs to machines, and scheduled replacement of consumable items of the rolling stock) are undertaken in the rail depots.



ROSCO acquisition – TRAINOSE strategic rationale

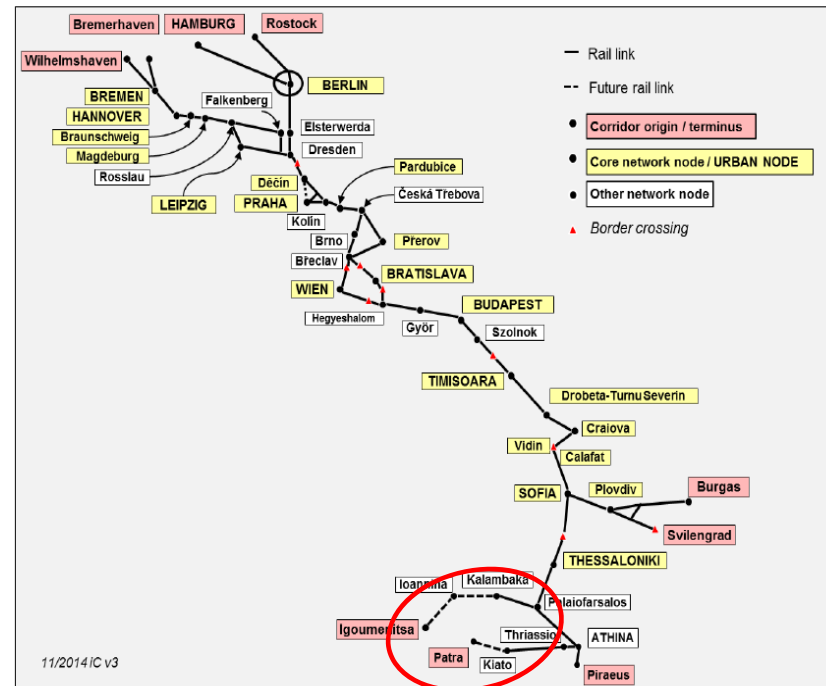
- ❑ **Value creation** through the vertical integration of one of the key suppliers of TRAINOSE to take advantage of the strategic and economic benefits connected to the **obvious industrial synergies** existing between two companies.
- ❑ An efficient and **high quality maintenance service is an essential part of the Greek railway sector development** to improve services and fully capitalize on the capacity which will be available **when the Athens – Thessaloniki infrastructure** works are completed.
- ❑ Such integration is essential to **consolidate the Group's presence in Greece and in the Balkan area**; further development of the Greek network on the main commercial axes (Athens - Thessaloniki, the Orient/East-Med corridor towards the Bulgarian border, as well as the connections to Patras and Igoumenitsa) involves an increase of the railway offer which, for the part not covered by new rolling stock, will imply the need for further maintenance activities.
- ❑ **Successful integration of Rosco by TRAINOSE** will allow the reconstruction of the **Greek railway sector in a more modern and efficient way. There will be evident benefits for Greece** in terms of railway security, more jobs, new trains, more effective and efficient railway services. So, **Greece can really become competitive on an international level**

The Greek railway network in international connections - Orient / East – Med corridor

The Orient / East-Med corridor (OEM) links the ports of the North Sea, the Baltic, the Black Sea and the Mediterranean to optimize - via inland - the use of the relevant motorways of the sea.

The objective of the European Union - which finances the infrastructure projects related to this corridor - is the development of multimodal connections between Northern Germany, the Czech Republic, the Pannonian region and South-East Europe, extended to Greece and Cyprus.

- ❑ The OEM corridor includes all the most important lines of the Greek railway network, ie the North-South axis between Athens, Thessaloniki and the Bulgarian border, as well as links to Patras and Igoumenitsa (only partially completed)
- ❑ Approximately 1,068 km of the railway line of the OEM corridor are in Greece, i.e. 18% of the total
- ❑ Some lines (Kalambaka - Igoumenitsa and Kiato - Patras) and road-rail terminals provided by the OEM are in Greek territory are being planned (Thessaloniki and Patras) and/or construction (Thriassio)



Source: Study on the Orient / East-Med Core Network Corridor, DG MOVE, European Commission - Contractor: iC / ITC / Panteia / Railistics / SYSTEMA / Prodex / UPB / PwC

Project: New Service Athens - Thessaloniki

The project includes:

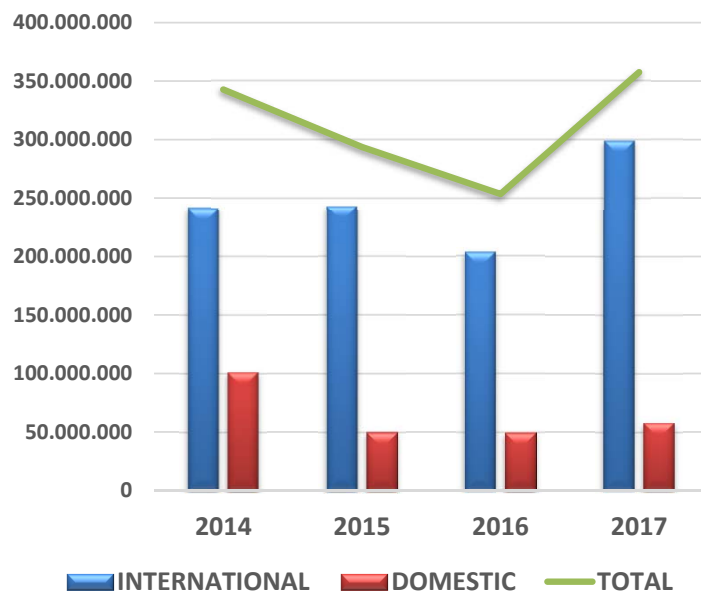
- realization of a new commercial market service between Athens and Thessaloniki;
- reduction of travel time from 6h30m to less than 4h using new trains to be competitive (mainly to the plane);
- improvement of quality standards (cleaning, punctuality, information and comfort).

The constraints:

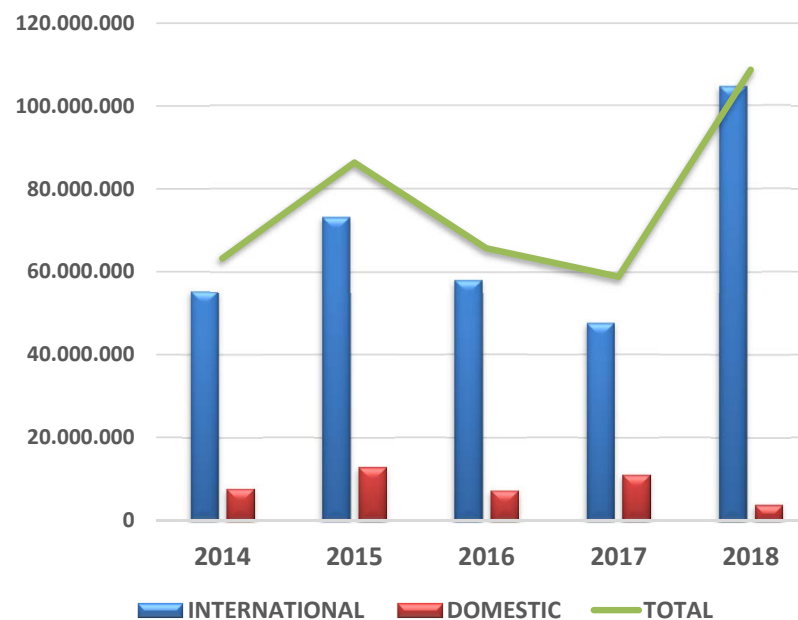
- completion of the electrification and doubling of the entire section scheduled by the end of April 2019 (Exogenous factor; It depends on OSE);
- completion of the telecommanding and signaling expected for January 2020 (exogenous factor; It depends on OSE);
- upgrading of maintenance facilities for the new rolling stock;
- qualification and certification of train drivers and maintenance personnel.

Freight Transport – International and Domestic

Ton/km per year 2014 - 2017

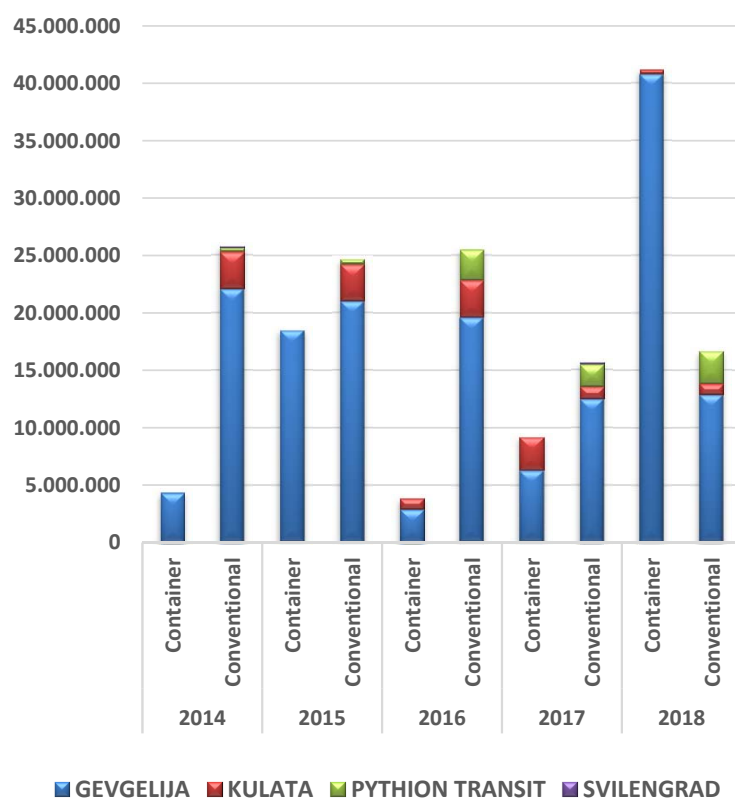


Ton/km per 1st quarter 2014 - 2018

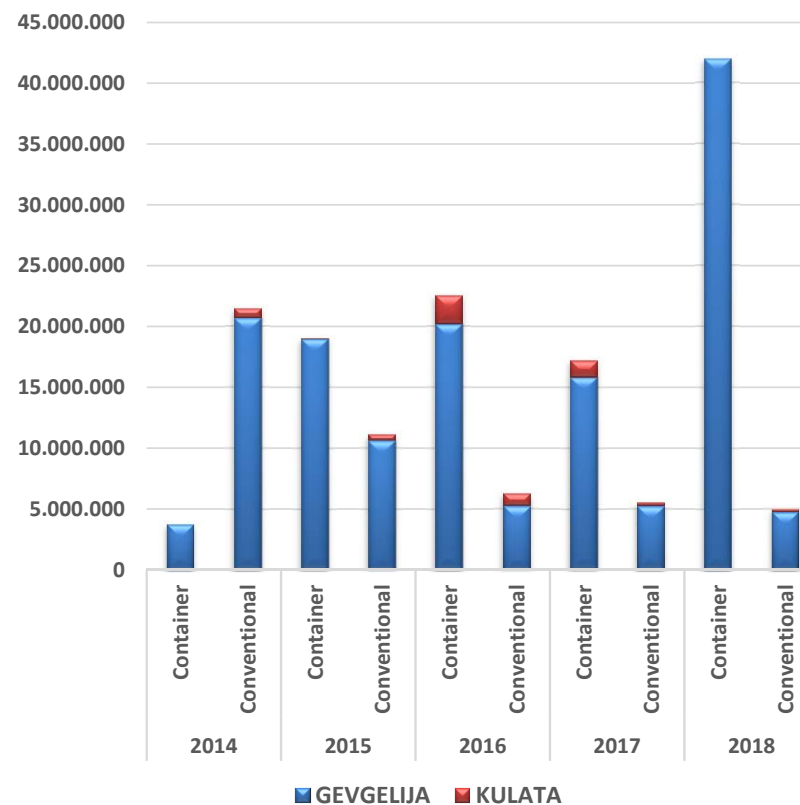


Container and Conventional Transport - per border station

Arrivals per 1st quarter 2014 - 2018

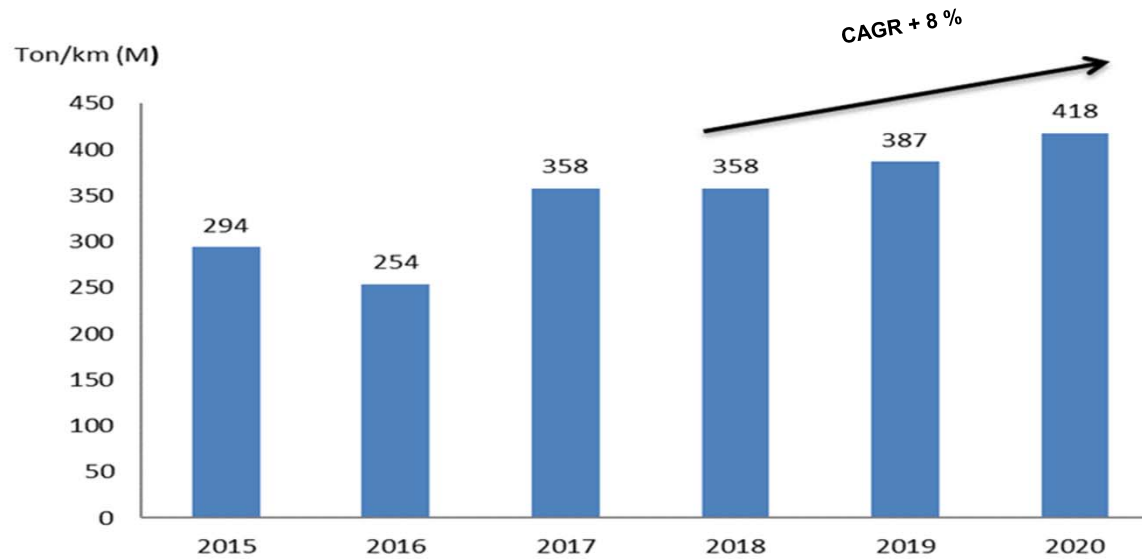


Departures per 1st quarter 2014 - 2018



Evolution of transported volumes – Ton/km

Ton/km (x1.000.000) per year (*)



(*) under the following preconditions:

- ✓ completion of infrastructure works in the Athens – Thessaloniki axis,
- ✓ development of logistics activities,
- ✓ ensuring the required rolling stock,
- ✓ ensuring the required number of staff in the specialties of train drivers and freight dispatchers, as well as the formation of the specialty of car inspectors.

Logistics Sector

One of the most important sectors of the Greek economy and a strong lever of growth is the logistics sector, accounting for 10.85% of GDP.

Logistics activities have been grouped into three distinct but interconnected logistics centers in the wider areas of Athens and Thessaloniki, which are geographically close to the larger Greek ports and have direct access to the country's main international road and rail.

TRAINOSE, with the development of the complex in the area of Thriassio and with the exploitation of the two large warehouses (K1 and K2, are the largest ones in SE Europe), implements its objective to create a modern logistics center for the most efficient provision of these services to its customers. K1 and K2 will be indeed the essential flagship premises, from where integrated end-to-end logistics services will be provided not only in the Greek territory, but in the wider region of SE and Central Europe.



Growth potential

TRAINOSE has a high potential for growth in freight transport:



- Doubling forecasts of container traffic to/from the ports of Piraeus and Thessaloniki
- Good positioning of these ports, connected through the international corridor TEN-T Orient-East Med with Western and Central Europe, the Balkans and the Eastern Mediterranean
- Completion of Thriasio logistics center (inner harbour of Piraeus) with the possibility for TRAINOSE to exploit two intermodal areas



Thank you for your attention