GrandiStazioni

GROUP

Consolidated Financial Statements
Financial Statements

As at 31 December 2013

Grandi Stazioni S.p.A.

A company subject to the management and coordination of Ferrovie dello Stato Italiane S.p.A.

Share capital: EUR 4,304,201.10 fully paid-up.

Registered Office: Via G. Giolitti 34 – 00185 ROME

Rome E&A Roster No.: 841620

Rome Companies' Register No.: 05129581004

Tax Code and VAT Reg. No.: 05129581004

WEB: www.grandistazioni.it

Governing Bodies of Grandi Stazioni SpA and Independent Auditors

Board of Directors:

Chairman: Mauro MORETTI

CEO: Gaetano CASERTANO

Directors: Monica CACCIAPUOTI

Massimiliano CAPECE MINUTOLO DEL SASSO

Fabio CORSICO

Vittorio DE SILVIO

Maurizio GENTILE

Francesco ROSSI

Nannina RUIU

Board of Statutory Auditors:

Chairman: Carlo CONTE

Regular Auditors: Claudio BIANCHI

Paolo BUZZONETTI

Alternate Auditors: Francesco ROSSI RAGAZZI

Giampiero TASCO

Executive responsible for drafting corporate accounting documents:

Giovanni RADDI

Independent Auditors:

PRICEWATERHOUSECOOPERS S.p.A.

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Grandi Stazioni Group's Mission

The Grandi Stazioni Group is part of the Ferrovie dello Stato Italiane Group and is responsible for the management of Roma Tiburtina station and for renovating and managing Italy's leading 13 railway stations: Roma Termini, Milano Centrale, Torino Porta Nuova, Firenze Santa Maria Novella, Bologna Centrale, Napoli Centrale, Venezia Mestre e Santa Lucia, Verona Porta Nuova, Genova Piazza Principe e Brignole, Palermo Centrale and Bari Centrale, as well as Prague Central Station and Mariànské Làzne in the Czech Republic.

The guiding principle of the activities carried on by the Company and its subsidiaries is to spread a new concept of railway station among the general public: an enterprise with high business potential, a venue for city life and a vibrant and welcoming place capable of providing quality services and opportunities to make our time more enjoyable, whether we are waiting for a train or are spending our own free time. Stations have a new urban role to play in this new concept.

Briefly, the company's *mission* involves:

- Renovating and enhancing the properties via leasing, promotional and advertising activities and direct management of passenger areas and services;
- Improving the quality of and diversifying travel services by enhancing the existing offer and constantly striving to improve customer satisfaction;
- Promoting new ways of using the areas by introducing innovative services in the Network stations, such as a services centre with numerous branded shops, a specialised general surgery unit, a gym and numerous leisure activities;
- Integrating the station property complexes with the surrounding urban area so as to turn stations into a lively part of the city, facilitating access to and intermodality with all other means of transport;
- Developing social projects and initiatives for underprivileged individuals present in stations, in cooperation with volunteer organisations and associations;
- Spreading a new concept of stations via communication strategies and cultural initiatives.

The station building lease contracts, having a 40-year term starting from 2000 for those located in Italy and a 30-year term starting from work completion (yet to be achieved) for those located in the Czech Republic, contemplate the full management and functional upgrading of the station building complexes. Managing day-to-day maintenance and providing services not related to train operations are part of the contract obligations, along with developing, funding and implementing a functional upgrading programme.

Letter from the Chairman

Dear Shareholders,

The 2013 consolidated financial statements of the Group showed a discontinuity compared to previous financial years, insofar as the negative outcome of first level hearings related to the dispute with former media agents resulted in a year-over-year drop in EBITDA, which would show an uptrend otherwise.

More specifically, the financial year ended 31 December 2013 showed operating revenues in the region of EUR 206 million, up EUR 6 million (3%) compared to 2012.

Operating costs stood at EUR 161 million, showing a net increase of EUR 10 million (7%) over 2012. This change was due to the costs (EUR 9 million) resulting from the adverse outcome of the first level hearing related to the dispute with former media agents.

Accordingly, EBITDA stood at EUR 45 million, showing a drop of about EUR 4 million compared to 2012.

Following amortisation partly relating to previous years to the extent of EUR 17 million and depreciation to the extent of EUR 7 million, EBIT came in at EUR 21 million, showing a EUR 15 million fall over 2012.

The consolidated net result stood at EUR 10 million, showing a EUR 11 million drop compared to the previous financial year.

Despite the slump, the letting of renovated areas showed an increase in revenues of approximately 3%. Even though the outdoor advertising marked suffered a 13.5% fall compared to 2012, the media business managed to keep the drop in revenues down to about 2%.

Investments in works pertaining to advertising property and equipment made during the year stood at EUR 43 million, of which EUR 9 million related to renovation work inside the stations, EUR 23 million to complementary infrastructure and video-surveillance, EUR 10 million to property improvements and maintenance and EUR 1 million to advertising equipment.

With regard to renovation and enhancement works in stations (Internal Works), during the year works pertaining to Firenze S. Maria Novelle and Venezia S. Lucia stations reached completion, while works at the Bari, Bologna, Genova Brignole e Principe, Palermo and Venezia Mestre stations continued.

With regard to additional Works pursuant to the "Legge Obiettivo" (External Works), works in Venezia S. Lucia station were completed, while works concerning video-surveillance installations continued in Bari, Florence, Genova Brignole e Principe, Milan, Naples, Palermo, Turin, Venezia Mestre and Verona stations. During the year, Gruppo Ferrovie dello Stato Italiane companies continued to vacate premises.

The net financial position as at 31 December 2013 stood at EUR 167 million, with gearing (net financial position to shareholders' equity ratio) reaching 1.1.

Mauro Moretti

REPORT ON OPERATIONS

Main consolidated results achieved in 2013

Key economic, equity and financial figures in the consolidated financial statements

The results and ratios for 2013 were largely affected by non-recurrent entries, with special emphasis on the adverse outcome of the first level hearing concerning the dispute with former agents.

Figures in €/m	2013	2012
Operating revenues (OR)	**206**	**200**
Operating costs	**161**	**151**
Gross operating margin (EBITDA)	**45**	**49**
Operating result (EBIT)	**21**	**36**
Net Result (NR)	**10**	**21**
Average net invested capital (NIC*)	**328**	**329**
Average shareholders' equity (SE*)	**147**	**137**
Net financial position (NFP)	**167**	**163**

Key economic indices in the consolidated financial statements

		2013	2012
ROE	NR/SE*	**7%**	**15%**
ROI	EBIT/NIC*	**7%**	**11%**
ROS (EBIT MARGIN)	EBIT/OR	**10%**	**18%**
EBITDA/OPERATING REVENUES (EBITDA MARGIN)	EBITDA/OR	**22%**	**24%**
INVESTED CAPITITAL TURNOVER (NAT)	OR/NIC*	**0.63**	**0.61**
LEVEL OF FINANCIAL INDEBTEDNESS	NFP/SE	**1.1**	**1.0**

KEY

NIC*: Average net invested capital (from beginning to end of the year)

FD: Financial debts

EBITDA: Gross operating margin

SE*: Average shareholders' equity (from beginning to end of the year) net of the year-end result gross of items relating to the fair value of derivatives

SE: Shareholders' equity gross of items relating to the fair value of derivatives

OR: Operating revenues

NR: Net result

EBIT: Operating result

Main events during the 2013 financial year

Internal renovation, complementary infrastructures and video-surveillance

January

Grandi Stazioni started the Additional Works under "Legge Obiettivo" for Genova Principe and Genova Brignole, with urban improvement works pertaining to Acquaverde Square and Verdi Square being delivered.
The supplementary contract 1 pertaining to the Central Area Lot and Southern Area Lot was signed, resulting in the (i) resumption of works which had been interrupted due to the dispute arisen with contracting agent ICS Grandi Lavori S.p.A. at the end of 2012, and (ii) ratification of the transfer of ICS share to Satrel.

Design activities started for the commercial expansion of the Bologna High Speed (HS) platform.
The delivery report for the financial/functional exploitation of the new Roma Tiburtina railway station was signed.

February

Works pertaining to the commercial expansion of Roma Tiburtina was completed.

March

As part of the project for the improvement of Venezia Santa Lucia Station, works were virtually completed.

As part of the "Legge Obiettivo" Additional Works pertaining to Napoli Centrale, works were completed in respect of a portion of piazza Garibaldi, which will prove instrumental for the expansion of the construction site areas relating to the works for the construction of the underground car park.

April

As part of the commercial expansion works in Roma Tiburtina, Rete Ferroviaria Italiana approved the revised executive project.

May

As part of the Works for the commercial expansion of Roma Tiburtina, works resumed following the approval of the revised project.

The new HS Bologna station was taken over, in respect of which GS started development plan operations.

June

On 10 June 2013, supplementary contract 4 concerning the North West Lot was signed, which essentially redefined the time schedule of the entire tender, bringing it in line with the latest forecasts.

As part of the "Legge Obiettivo" Additional Works of Milano Centrale, Stage 1 works for the urban improvement of Piazza IV Novembre and Via Sammartini resumed following the handover of the areas by the relevant Military Command.

As part of the project for the improvement of Firenze Santa Maria Novella Station, works were virtually completed.

July

As part of the commercial development project of Bologna HS station, Grandi Stazioni submitted to the Authorities the executive design prepared according to RFI instructions.

August

As part of the Bari urban improvement project, Freccia Club was delivered to Trenitalia on 2 August 2013.

September

As part of the "Legge Obiettivo" Additional Works for Napoli Centrale, on 19 September 2013 Grandi Stazioni delivered a portion of the road opposite the building hosting the Accumulator Charging Workshops, between building 8 and the station gate on C.so Meridionale near the Post Office building, the purpose being to demolish the related cantilevers of the building hosting the Accumulator Charging Workshops. The possibility of starting the relevant works immediately was thwarted by the hardships being faced by the Contractor, who did not carry on the works.

October

During an expert opinion session held on 15 October 2013, the Bologna Public Works Agency approved the Executive Design of Additional Works for Bologna Centrale station. Once this opinion is obtained, the Interdepartmental Conference may be closed and work implementation may be authorised by the CIPE (Italian government's cross-party infrastructure committee).

As part of the project for the improvement of Bari station, the new F27 Audit Office complete with finishings and technological equipment was delivered.

November

As part of the works for the functional upgrading and improvement of Milano Centrale, the technical and administrative testing certificate was issued on 26 November 2013.

As part of the "Legge Obiettivo" Additional Works in Milano Centrale, Stage 1 works for the urban redevelopment of Piazza IV Novembre and Via Sammartini were completed, thereby moving on to Stage 2.

As part of the "Legge Obiettivo" Additional Works in Venezia Santa Lucia, works were virtually completed on 30 November 2013.

As part of the Integrated Video-surveillance Works, the final testing certificate pertaining to operations carried out in Turin and Milan stations was issued.

December

As part of the project for the construction of Building ACC/RFI and GS/warehouses in Genova Brignole, works reached completion and a report of delivery acceptance by the RFI relevant function was to be signed in January.

All supplementary works pertaining to Venezia Santa Lucia station as part of the Functional Upgrading and Improvement project were completed and on 13 December 2013 commercial businesses were inaugurated.

On 13 December 2013, Satrel SpA applied for composition procedures with the Prato Court, with all works being suspended accordingly.

As part of the project for the improvement of Genova Principe Station, works were virtually completed.

"Legge Obiettivo" grants

May

In relation to the first strategic infrastructure programme (Law No. 443/2001) as per the CIPE (Italian government's cross-party infrastructure committee) Resolution No. 121 dated 21 December 2001, following Grandi Stazioni SpA's requests for direct granting of the contribution pertaining to work progress report 11(A), 11(B) and 12, the Ministry of Infrastructures and Transport disbursed EUR 8.3 million.

July

Grandi Stazioni applied to the Ministry of Infrastructures and Transport to seek authorisation to use the "Legge Obiettivo" residual funds relating to the relevant programme, complete with a rescheduling of works and the inclusion of the project drafted by Grandi Stazioni regarding connected warehouses, CM7 parking lot (subject to projects being submitted to RFI) and work for the improvement of Piazza dei Cinquecento.

August

Following Grandi Stazioni SpA's requests for direct granting of the contribution pertaining to work progress report 13, the Ministry of Infrastructures and Transport disbursed EUR 6 million.

September

Following Grandi Stazioni SpA's requests for direct granting of the contribution pertaining to work progress report 14, the Ministry of Infrastructures and Transport disbursed EUR 4.7 million.

November

Following Grandi Stazioni SpA's requests for direct granting of the contribution pertaining to work progress report 15, the Ministry of Infrastructures and Transport disbursed EUR 3.6 million.

December

Following Grandi Stazioni SpA's requests for direct granting of the contribution pertaining to work progress report 16, the Ministry of Infrastructures and Transport disbursed EUR 2.0 million.

Legal disputes

March

The National Audit Office - Jurisdictional Section for Lazio, ordered the dismissal of investigation proceedings No. 2010/01970/ALB started following a complaint relating to "Ala Mazzoniana" stand space in Rome Termini station whereby administrative irregularities were reported, as per communication dated 15 March 2013.

By order No. 1088 dated 25 March 2013, the State Council issued a declaration of no further proceedings with respect to the appeal lodged against Roma Capitale, the Ministry for Heritage and Cultural Activities and Grandi Stazioni regarding the reform of the supervision order issued by Lazio Regional Administrative Court – Rome II ter Division No. 3103/2012, concerning the approval of the project for the allocation of trade/dispensing facilities in Piazza dei Cinquecento.

May

As part of the legal proceedings started by Grandi Stazioni against Spaziale S.r.l. whereby the former sought that (i) the termination of the agency agreement dated 2 February 2004 be ascertained and (ii) the aforesaid company be sentenced to make good damages deriving from breach of contract, by sentence filed on 2 May 2013 the Milan Court rejected the claims made by Grandi Stazioni and, upon upholding the counterclaim submitted by Spaziale, declared the termination of the agreement due to serious breach by the plaintiff and, consequently, ordered Grandi Stazioni to pay Spaziale a total sum of EUR 1.7 million by way of direct and indirect commissions, including the (i) amount already acknowledged at the time the order for relief was issued during the proceedings; (ii) severance indemnities by way of FIRR (reserve for staff leaving) accrued to the date of termination of employment; (iii) indemnities under Section 1751 of the Italian Civil Code of Procedure; (iv) compensation for damages suffered as a result of unlawful earlier termination of the agreement by way of compensation for loss of earnings due to non-payment of commissions; (v) non-accrual of indemnity under Section 1751 of the Italian Civil Code of Procedure; (vi) non-accrual of FIRR; (vii) legal and expert opinion costs; plus interests and monetary revaluation. The Company immediately filed an appeal against the sentence, requesting a stay thereof.

By deed dated 28 June 2013 in reply to the request for stay submitted by Grandi Stazioni the Milan Court of Appeal did not deem it necessary to consider the prima facie case assumption and made the execution of the sentence conditional on the provision of a first request surety by Spaziale to Grandi Stazioni as a guarantee of any obligation to return the amounts to be paid. Following the provision of the aforesaid surety, the sentence was executed with a payment (in November) being made to Spaziale (in liquidation) in the region of EUR 1.7 million, which - net of the amounts already paid in previous years totalling about EUR 25,000 and with the fund allocated in December 2012 (EUR 200,000 approximately) being fully used - resulted in greater charges during the year to the extent of EUR 1.45 million approximately.

By deed adopted in the meeting of 22 May 2013, the Italian antitrust authority (AGCM, Autorità Garante della Concorrenza e del Mercato) resolved to start investigation proceedings as under Article 14 of Law No. 287/1990 against Ferrovie dello Stato Italiane S.p.A., Rete Ferroviaria Italiana S.p.A., Trenitalia S.p.A., Grandi Stazioni S.p.A., Centostazioni S.p.A. and FS Sistemi Urbani s.r.l. to establish whether a violation of Article 102 of the TFEU had been committed in respect of alleged discriminatory and obstructive conducts shown by the aforesaid companies following charges pressed by Nuovo Trasporto Viaggiatori S.p.A. (NTV) by report dated 16 May 2012. By deed notified on 28 May 2013, AGCM authorised an inspection to be conducted at Grandi Stazioni offices. The aforesaid inspection was carried out by AGCM officials on 28 May 2013, during which documents pertaining to the matters reported by NTV were collected.

By sentence No. 2992/13 dated 31 March 2013, the State Council rejected the appeal lodged by the Ministry for Heritage and Cultural Activities and the Department for Architectural Heritage and Landscape, Historical, Artistic, Demographic, Ethnological and Anthropological Heritage of Naples and related province in respect of a review of sentence No. 3413 dated 5 April 2006 whereby the Regional Administrative Court of Campania upheld the appeal filed by Grandi Stazioni and cancelled decree No. 177 dated 18 July 2003 relating to the requirement for the historical and cultural safeguard of the property belonging to Grandi Stazioni located next to Napoli Centrale station.

June

By report signed on 7 June 2013, RFI S.p.A delivered to Grandi Stazioni ahead of schedule some areas located in the new High Speed terminal of Bologna Centrale station, such areas being temporarily allocated to railway transport operators for the activation of services considered as essential for station users.

July

By Executive Resolution No. 991 dated 2 July 2013 issued by the Department for Infrastructure Development and Urban Maintenance - Infrastructural Work Area Headquarters, Project Finance O.U - New and Strategic Road Works, approval was granted in respect of the project for the commercial development of Roma Tiburtina railway station prepared by Grandi Stazioni, including a proposal to rearrange the different functions, totalling 35,404 square meters of station services.

August

As part of the legal proceedings started by Grandi Stazioni against Publica s.r.l. for the purpose of ascertaining the termination of the agency agreement dated 2 February 2004 and the aforesaid company's obligation to make good the damages arising from contract breach, by sentence filed on 23 August 2013 the Milan Court rejected the claims submitted by Grandi Stazioni and upon upholding the counterclaim submitted by Publica declared the agreement as terminated due to the actions and fault of the plaintiff. As a result, Grandi Stazioni was sentenced to pay an overall amount of EUR 9.7 million to Publica, including interest, revaluation and legal costs and net of any amount paid during the proceedings, by way of commission differences, negotiation rights and premiums, indemnities under Section 1751 of the Italian Civil Code of Procedure and damages. Grandi Stazioni filed at any rate an appeal against the sentence, requesting a stay thereof. By deed filed on 28 June 2013, the Milan Court of Appeal made the execution of the offences stated in the sentence conditional on Publica providing a first request bank surety to us as a guarantee of the obligation to return all amounts, plus interest, in the event of the appeal being upheld. Following the provision of such surety, the sentence was executed with a payment being made to Publica S.p.A (in liquidation) in December to the extent of EUR 9 million, which - net of the amounts already paid in previous years totalling about EUR 0.5 million and with the fund allocated in December 2012 (EUR 2.6 million approximately) being fully used - resulted in greater charges during the year to the extent of EUR 6.9 million approximately.

October

On 10 October 2013, the Group companies involved in the proceedings started by AGCM by resolution adopted in the meeting held on 22 May 2013 submitted their own commitments, resulting in the anti-competitive conducts referred to in the aforesaid proceedings to be inapplicable, as pursuant to Article 14(b) of Law 287/1990.

December

On 23 December 2013, Nuovo Trasporto Viaggiatori S.p.A (NTV) notified the Company (together with Rete Ferroviaria Italiana S.p.A and Centostazioni S.p.A) of the appeal lodged with the Lazio Regional Administrative Court seeking cancellation of the decision issued by Ufficio Regolazione Servizi Ferroviari (URSF) on 5 Novembre 2013 with respect to an appeal filed by the aforesaid company concerning alleged illegal practices in the allocation of areas and supply of services inside stations.

Tenders

June 2013

On 10 June 2013, following the events that affected the contractual relation concerning the tender for North-West Lot works (Turin, Genoa and Milan stations) that culminated in the winding-up of DEC S.p.A./SACAIM S.p.A./Guerrato S.p.A. JV and the continuation of the remaining contract works by Guerrato S.p.A alone, a supplemental and amending agreement was entered into with the latter setting forth the new partial and final completion deadlines of the works referred to under the contract. By the same agreement, the contractor waived any and every claim and/or demand for greater consideration, charges, compensation, indemnities and allowances connected to the turnaround times stated in the registered claims and to the postponement of work completion deadlines.

December 2013

By appeal lodged on 13 December 2013, Satrel S.p.A - acting as the agent of the JV contractor that was awarded the two lots of the "Grandi Stazioni" Programme under the "Legge Obiettivo" (Florence-Bologna Central Area Lot and Southern Lot (Bari-Palermo-Naples) - applied for composition procedures with the Prato Court pursuant to Article 161, paragraph 6, of the Bankruptcy Law, seeking a decision to be issued regarding the resolution, if any, of the ongoing tender contracts. Pending procedures and with a view to preventing greater damage from occurring as a result of failure to complete the works awarded, Grandi Stazioni submitted a request to Satrel and the delegated Judge appointed by the Prato Court seeking the restitution of some areas and premises pertaining to the Central Lot works, the aim being to proceed directly with the completion of the remaining works, with the original contract consideration and scope being reduced accordingly. Satrel stopped construction site operations.

Miscellaneous

January

Fanta Building restoration work at Central Prague Station started.

February

The new App for IOS and Android smartphones "Around Station" was launched in partnership with station commercial operators.

April

On 22 April 2013, Grandi Stazioni submitted its own bid following Trenitalia S.p.A's call for tenders for the award of the exclusive management of advertising spaces and related advertising sales on board trains.

The contract had a 2-year term and entailed paying Trenitalia a minimum yearly amount as a reconveyance fee totalling EUR 200,000. The bidders were asked to increase the amount of the reconveyance fee. The contract was awarded based on the following criteria, with related weight: 70% technical proposal; 30% financial proposal.

May

A co-operation agreement was entered into with RŽD Russian Railways to provide support in improving and enhancing the commercial areas in the building complex of "Chelyabinsk - Glavnyy" Station.

June

Social communication formats were launched on the first digital communication tools installed in the Network.

September

The project for the promotion of the "Gesti che Contano" (gestures that matter) shopping malls was launched, with prizes awarded to clients of Roma Termini, Milano C.le, Torino PN and Napoli C.le by way of free-of-charge shopping.

November

A commercial couponing project was rolled out for the purpose of promoting sales in the shops located in Roma Termini, Milano C.le, Torino PN and Napoli C.le stations.

The SAP PS (Project System) module became operational, while the IM (Investment Management) module for the management of multi-year contracts and investments was reviewed. As a result, the budget and control model already implemented on the CO (Controlling) module was also reviewed.

Human Resources

The number of Group employees and staff hired under other contracts dropped from 280 as at 31 December 2012 to 265 as at 31 December 2013, involving a decrease of 15 resources, of whom 12 were employees, while the average number decreased by 2.29 FTE.

The financial year just ended was also characterised by the discontinuance of operations of GS Ingegneria subsidiary on 30 November 2013, ahead of the merging scheme approved by the subsidiary on 27 February 2014.

As of the same date, the assignments of Grandi Stazioni's employees seconded to Grandi Stazioni Ingegneria were terminated and all employees and staff hired with other agreements employed with the latter were transferred to Grandi Stazioni as part of a process shared with the unions.

Changes in the composition of the workforces of the three Group companies in the light of the foregoing are detailed below:

GROUP

Workforce	Average FTE 2012	31.12.2012	Increase	Decrease	31.12.2013	Average FTE 2013
Executives	15.00	15	0	0	15	15.00
Middle management	45.48	46	7	6	47	47.56
White-collars	199.43	206	14	27	193	197.15
Total employees	259.91	267	21	33	255	259.71
Other Contracts	14.42	13	10	13	10	12.33
Total	274.33	280	31	46	265	272.04

Industrial Relations

2013 saw an upsurge in industrial relations aimed at sharing meaningful insights on the policies implemented by the Company based on the Labour Cost Reduction Plan.

The unions provided valuable support in managing the process whereby all employees were transferred from GSI to GS.

Based on the issues being addressed, a decision was reached to postpone to the following financial years the negotiations for the renewal of the Supplementary Company-wide Agreement (CIA, Contratto Integrativo Aziendale), which was signed in 2010 and expired in 2012.

Training

2013 Training			
Company	No. of participants	Hours	Costs
Grandi Stazioni S.p.a.	230	7,262	109,701
Grandi Stazioni Ingegneria S.r.l.	22	194	440

The main topics in respect of which training sessions were delivered in 2013 included:

- Launch of the 2013-2014 Managerial and Behavioural Training Project designed for the entire corporate population
- Managerial training designed for top management
- Training on Legislative Decree 231/2001
- Training on the Environmental Management System

- Mandatory training with regard to health and safety in the workplace
- Specific technical-professional refresher training by area for all company departments
- Specific professional technical building-related training designed for Grandi Stazioni Ingegneria personnel

During 2013, Grandi Stazioni was able to access funding channels through trade interprofessional funds, benefitting from an overall amount of EUR 10,200 to fund a number of training projects. As a result, net training costs in 2013 stood at EUR 99,501.

Management Policy

In relation to Human Resource Management Policies, the Company focused its energies on a number of key processes connected to the organisational and management framework defined over the past few years.

The Labour Cost Reduction Plan was developed through the following actions:

- Block on turnover, leading to 16 resources not being replaced.
- Block on overtime, resulting in overtime being reduced by approximately 50%, without prejudice to the pursuit of corporate goals.
- Use of untaken holidays, with accruals currently standing at about 4 days per employee, resulting in the fund being reduced by almost 30%.
- Freezing of non-contractual benefits to executives, resulting in savings in the region of EUR 20,000.

The Voluntary Leaving Incentive Scheme was launched in October, arousing interest amongst the employees, especially those nearing pension.

The incentive processes for executives and middle management were reviewed with a view to ensuring consistency with the ultimate parent company's policy.

Corporate training endeavours were increased, with special reference being made to the launch of a training scheme on Managerial and Behavioural Skills aiming at involving virtually the entire corporate population.

Health and Safety in the Workplace

Consistent with the forecasts stated in the Risk Evaluation Document launched in October 2012, the following key actions were undertaken to improve the workers' health and safety:

- Employees' training as pursuant to Article 37 of Legislative Decree 81/08, including first-aid personnel;
- Allocation of personal protective equipment in conjunction with the launch of the relevant training programme.

Health monitoring activities showed an essentially consistent picture between general health conditions and the specific tasks assigned to employees.

Environment

The main activities relating to environmental policies carried out during 2013 are described below (by specific area).

Energy

Signing of the new electricity supply contract relating to the eligible market for the entire Italian Network, with the aim of curbing property service costs confirming procurement from renewable sources, requesting that 20% of the supply comes from certified renewable sources.

Progress of the utility connection separation process especially with regard to structural operations. The separation of Group properties was completed in Naples by taking delivery of the room serving the FSA1 building. Operations for physical separation from RFI were rolled out in Bologna C.le station.

A draft concept design was finalised regarding the technical and financial feasibility of the installation of PV panels on station platform roofing, with special emphasis on Napoli Centrale station.

RFI utility bills serving the new Roma Tiburtina station were completely transferred.

The preliminary study stage for the deployment of a PV system in Tiburtina station was launched.

The preliminary study stage for the application of trigenerative technology to the technological plant serving Roma Tiburtina station was launched, with a view to extending the study also to the Network thermal plants.

Operations were started for the review of the electrical distribution systems of Naples and Turin stations to identify and keep track of the specific consumption patterns of consistent individual macro-areas (lighting of common areas, air conditioning systems, etc.), the aim being to perform assessments on plant-engineering efficiency and accurately identify the actual user base so as to undertake target-oriented consumption rationalisation and allocation actions.

As part of the project for the improvement of the platform head of Milano C.le station, the installation of new light fittings with LED technology was completed.

As part of the project for the construction of a new underground floor in Firenze S.M.N, the new lighting system covering common areas was completed using entirely LED technology.

Water supply and drain system

Constant monitoring of consumption patterns aimed at detecting possible faults and performing field tests to identify and remove leaks.

Work continued as part of the process for accurate identification of the actual station user base so as to undertake target-oriented consumption rationalisation and allocation actions, with particular reference to water consumption;

Operations were started for document collection and mapping of the sewerage systems of GS Network stations by relying on the support of the Maintenance Contractor, the aim being to obtain discharge authorisations where necessary (with due account also being taken of regulatory developments resulting from the Single Environmental Authorisation under Presidential Decree No. 59/2013).

Works for the expansion and upgrading of the former Venezia S.L. Divisional Building reached completion, with the discharge authorisation being renewed accordingly by the Water Authority. A number of technical works were also completed on the station's purification plant, improving the plant's performance and purification capabilities.

Emissions

Works proceeded for the (i) construction of the new higher-efficiency thermal plants that will replace diesel-powered plants as part of the works for the improvement of the stations (e.g. Venice, Mestre, Genova Brignole, Bari) and (ii) progressive upgrading of the heating and cooling system of Bologna Centrale station following the new contracts for the supply of district heating and cooling.

Activities for the operation of heating and cooling plants, with daily analyses on pollutant emissions and related regulation measures.

Operations proceeded for the mapping and collection of documents pertaining to air emission authorisations for the thermal plants, the purpose being to obtain emission authorisations where missing (with due account also being taken of regulatory developments resulting from the Single Environmental Authorisation under Presidential Decree No. 59/2013).

Waste management

Continuation of ongoing waste collection at the refurbished Milan Central, Naples Central, Turin Porta Nuova and Rome Termini stations, with special emphasis on the collection of recyclable waste from retail concerns (using trolleys with three separate compartments and, if necessary, introducing door-to-door collection).

Ensuring ongoing efficiency in the entire recyclable waste collection system throughout areas open to the public:

- Maintenance of current recyclable waste baskets;
- Design for the deployment of new separate ecological collection depots for recyclable waste;
- Operations were started to upgrade the station waste basket area with a view to improving their visibility and use.

A project is underway to implement waste sorting including the collection of wet waste produced by shop owners.

Public Health

Implementing and ensuring the efficiency of no smoking signs around the station and signs for smokers' areas.

Operations on material containing asbestos: during 2013, investigations carried on to identify any additional material containing asbestos compared to campaigns conducted in previous years.

Maintenance operations were implemented to prevent water from being contaminated by legionellosis and microbiological agents.

Implementation of the Environmental Management System.

Completion of the document system pursuant to the Environmental Management System (SGA, Sistema Gestione Ambientale) through the:

- Publication of the Initial Environmental Analysis;
- Publication of Grandi Stazioni SGA Manual.
- Environmental law compliance and assessment audits were performed on Roma Termini, Milano C.le and Venezia S.L., Torino P.N. and Napoli C.le stations, while further audits were planned for the analysis of significant environmental issues related to Grandi Stazioni S.p.A. operations.
- Specific environmental training was supplied to the personnel involved in SGA processes.

Safety of building complexes

In order to implement and maintain safety in station building complexes, the following activities were carried out in 2013.

Safety of premises

Considering the results shown in previous financial years, a campaign was planned and launched to perform instrumental surveys (dust, noise, lighting, chemical pollution, microclimate) chiefly pertaining to the conditions of station water networks (regarding drinking water quality and the presence of legionellosis). In this connection, it should be noted that Grandi Stazioni operates the internal water network and performs network operation and maintenance tasks pursuant to Legislative Decree 31/2001.

The issue concerning areas not meeting safety requirements due to the age of the buildings or technical properties of premises was also addressed. More specifically, with regard to roofing and platform roofs lacking protection systems, the relevant signage was checked and restored as appropriate, while protection remedies in areas providing service access started to be deployed.

Fire prevention and emergency management

Consistent with the (i) provisions of fire prevention projects, (ii) discontinuance of roles previously covered by RFI and (iii) commercial characterisation of building complexes, the following operations were carried out:

- Reorganisation of the emergency management system by entrusting "activation" and "first aid" tasks to security and maintenance service providers so as to ensure appropriate synergy with existing assignments, subject however to coordination with RFI for any interferences with railway operations;
- Updating of emergency plans for Roma Termini, Milano C.le, Napoli C.le, Venezia Mestre, Bologna C.le/AV, Firenze S. Maria Novella and Torino Porta Nuova stations;
- Adopting an emergency plan for Roma Tiburtina building complex.

With a view to ensuring effective procedures, training was also provided to the emergency plan "players" in conjunction with the updating, the latter being notified to the employers operating within the building complexes for various reasons, thereby implementing coordination among the different employers.

Coordination among employers

In addition to emergency management through the emergency plans of station building complexes, coordination among employers also involved managing any interferences between operations. To this end, 441 employer coordination-related actions were developed in compliance with the provisions under Article 26 of Legislative Decree 81/08 and the organisational procedure adopted in this respect. The exchange of information on the hazards existing in station areas and hazards caused by new operations was followed up with relevant territorial control actions.

Safety assurance operations

The trend of safety assurance operations during 2013 was virtually in line with that of the previous year. Major operations pertained to the detachment of plaster layers, water-proofing of roofing and platform roofs and failure of key safety systems (fire-fighting, lighting, hydrant system), with the underlying causes being generally attributable to deterioration of the facilities, equipment obsolescence, operating faults, weather events and in some cases third parties.

Macroeconomic scenario

The international macroeconomic scenario, which is still strongly affected by the consequences of the financial crisis, did not show any sign of a sufficiently strong recovery in 2013. The expansion of the global economic activity and international trades proved moderate and inconsistent: the slowdown in emerging economies, which at any rate continued to be the driving force behind world growth, was offset by a gradual upswing in developed economies.

The world economy grew 2.9%, virtually in line with 2012 (+3.0%), with emerging countries and developed countries contributing to the extent of 4.6% and 1.2%, respectively.

The economy showing the highest growth rate on the global economic scene was China's, the world's second largest economy, rising 7.6% despite a slightly lower target set by government authorities (7.5%) China was in the process of addressing major structural reforms for a more balanced development approach, chiefly driven by domestic consumption and investments rather than exports.

Having overcome budget and government borrowing problems, the US economy showed signs of renewed energy following a slow labour market uptrend and a good performance of domestic demand. On a yearly average basis, the US GDP grew 1.9%.

Driving the growth of Japan's economy (+1.8%) was a monetary policy easing adopted by government authorities, a more flexible fiscal policy and an increase in public spending to encourage, among other things, private investments.

While showing signs of briskness late in the year, international trade growth reached the same level as the previous year (+2.1%).

Worldwide inflation was generally low and much lower in industrialised countries, with growth rates well below 2% (USA 1.5%, Eurozone 1.4%), compared to emerging countries and developing countries (India 7.8%, Russia 6.9%).

With regard to the prices of energy products, the price of Brent crude oil (USD 108.6 per barrel) decreased over the previous year, despite some tensions in Libya (whose supply remained well below its potential), which were mitigated by an increase in supply from Saudi Arabia.

Global economic figures		2012	2013
		(year-over-year %)	
GDP			
	World	3.0	2.9
	Developed countries	1.3	1.2
	USA	2.8	1.9
	Japan	1.4	1.8
	Eurozone	-0.6	-0.4
	Emerging countries	4.8	4.6
	China	7.9	7.6
	India	4.1	3.5
	Latin America	2.4	2.6
Oil (Brent $ per barrel)		112.1	108.6
World trade		2.1	2.1
Source: Prometeia Forecast Report January 2014			

Compared to the monetary policy easing adopted in the United States and Japan, monetary tightening and a focus on debt requirements persisted across the eurozone countries. The area's gross domestic product dropped by 0.4% as it was affected by a fall in consumption due to lower household income following a high unemployment rate. The latter stood at 12%, with even higher figures in Spain and Greece, where the percentage of unemployed people was close to 27%. Towards year end, a slight recovery was witnessed as a result of a low increase in domestic demand and a gradual growth in exports. Core Europe countries, such as Germany, showed a stronger performance, while the uptick of peripheral countries was less significant.

Eurozone economic figures		2012	2013
GDP		*(year-over-year %)*	
	Eurozone	**-0.6**	**-0.4**
	Germany	0.9	0.5
	France	0.0	0.2
	Italy	-2.6	-1.8
	Spain	-1.6	-1.2
Inflation		*(% change on previous year)*	
	Eurozone	**2.5**	**1.4**
	Germany	2.1	1.6
	France	2.2	1.0
	Italy	3.3	1.3
	Spain	3.0	1.5
Domestic demand		*(year-over-year %)*	
	Eurozone	**-2.2**	**-1.0**
	Germany	-0.2	0.9
	France	-0.9	0.4
	Italy	-5.2	-2.5
	Spain	-4.0	-3.1
Source: Prometeia Forecast Report January 2014			

While having to deal with a tiresome public account rebalancing process, the Italian economy is on its way out of the recession, albeit at a slow pace. After a long slump, economic fundamentals improved slightly during the autumn season. However, the yearly average GDP change was still strongly on the downside (-1.8%).

The pattern of the economic cycle in the first quarter showed a drop in GDP (-0.6%), although at a slower pace compared to the last quarter of 2012. GDP also dropped in the second quarter, albeit to a lesser extent (-0.3%). On the other hand, starting from the third quarter GDP became stable, thereby ending a downturn that started in Summer 2011, and even grew by 0.4% in the fourth quarter (according to the latest figures on Italian accounts).

GDP and main aggregates	1st quarter	2nd quarter	3rd quarter	4th quarter
GDP	-0.6	-0.3	0.0	0.4
Domestic demand	-0.4	-0.7	0.3	0.2
Household spending	-0.5	-0.5	-0.2	0.0
PA and NPI spending	0.1	0.0	0.0	-0.3
Gross fixed investments	-2.9	0.0	-0.6	-0.2
construction	-4.0	-0.9	0.0	-1.0
other investment assets	-1.7	1.0	-1.2	0.7
Imports of goods and services	-0.5	-0.7	2.0	0.1
Exports of goods and services	-1.2	0.7	0.7	0.5
Source: Prometeia Forecast Report January 2014				

A positive, albeit small, contribution came from foreign demand. Domestic demand shrunk from both a consumption and investment perspective, although at lower rates compared to the previous year. During the year, the labour market showed stronger signs of weakness: employment dropped further, driving the unemployment rate to 12.2% on a yearly average basis.

Finally, inflation fell considerably during the year reaching 1.2%, showing a downswing of about two percentage points over the previous year, chiefly due to a drop in energy prices.

Customer relations

Marketing and Communication activities in 2013 focused on the continuation of the actions started in 2012 to support the Business Areas and on the planning of activities for the current year. Customer satisfaction surveying activities also continued.

Special emphasis is placed on the following activities:

a) Continuation of Customer Satisfaction surveys carried out by RFI with station users, with average customer satisfaction exceeding 90%.

b) The programme to support the Commercial Property Lease Business Area, implemented in conjunction with store lessees in Roma Termini, Milano Centrale, Napoli Centrale and Torino Porta Nuova stations, witnessed the growth and development of the new Web, Social and Mobile platforms designed for stations. The launch of the new Around Station app for IOS and Android smartphones and the implementation of social formats for the new digital communication tools within stations were among the main new features implemented during the year. Commercial activities were also promoted through ad hoc marketing undertakings, such as online social contests and distribution of promotional material to customers.

As part of the development strategy, special emphasis is placed on the following activities carried out during the year:

a) Grandi Stazioni Ceska Republika: works started in January to complete the first stage of the restoration of the Fanta Building in Central Prague station. Works reached completion in December.

b) Roma Tiburtina: following the final takeover of the complex management as pursuant to handover report signed by RFI on 31 January 2013, space enhancement and area expansion operations started on 15 February 2013 to include retail, food & beverage and service businesses. Stores opened as at December were in excess of 20.

c) Bologna HS: On 27 May, the new HS Bologna station was taken over, in respect of which GS started preliminary commercial development plan operations.

d) By letter of assignment RFI notified the mandate as technical entity for the design of Bologna HS station marketing plan. The new railway hub was opened to the public on 9 June. In the second quarter of the year, the commercial development plan was launched following design activities and after obtaining the required approvals from the relevant authorities.

e) Russia: on 31 May 2013, on the occasion of the eighth "1520 Strategic Partnership" international forum dedicated to the railway business held at Sochi, Grandi Stazioni entered into an agreement with the Russian Railway Authorities (RŽD) to help enhance and optimise the commercial areas of the building complex of "Chelyabinsk - Glavnyy" station by identifying the best solutions for the commercial exploitation of such areas. The tasks under the agreement were completed in December. Negotiation also started with RZD for a new consulting agreement relating to another transportation hub in Moscow.

PERFORMANCE OF THE REFERENCE MARKETS

Leases

In 2013, revenues from lease fees increased over 2012, reaching EUR +2.8 million (+ EUR 3.5 million on retail rentals and - EUR 0.7 million on office rentals), showing a 3% growth compared to 2012 year end.

Retail

Although facing a slump that had an impact on general market trends as well as on the contractors performing renovation works in progress across the GS Network and, as a result, on the timeframes of the availability of the areas pertaining to such works, efforts were made to pursue the goal of maximising occupancy rates and returns by opening new stores to the public through the execution/implementation of the relevant lease agreements both in compliance with prior preliminary agreements as well as following the award of new market selections.

As a whole, approximately 50 market selections were performed, with 61 new lease agreements being executed.

In detail, with reference to the traditional Network of the 13 stations alone, 54 new stores were opened to the public in 2013 (in addition to the 226 stores opened from 2009 to 2012). More specifically, shops were opened in Bologna Centrale, Milano Centrale, Napoli Centrale, Roma Termini, Venezia Santa Lucia and Verona Porta Nuova, Bari C.le, Firenze SMN and Genova P.P. stations, totalling about 8,800 sq m, in addition to approximately 54,300 sq m opened between 2009 and 2012.

Major openings included the following brands: Boggi Milano, Kiko, RossoPomodoro, McDonald's, Niyo&Co, Fiorucci, F30 Lounge Bar, Gourmet, Wind, Venchi, Tally Wejil, Bistrot Milano, all being brands that ensured a diversified station offering.

Moreover, following Roma Tiburtina inclusion in the GS Network as of 1 February 2013 and GS's full launch of commercial management and development operations, a further 23 stores were added to this complex alone (including 2 ATM areas), totalling approximately 4,500 sq m.

Within the same complex, in conjunction with the gradual opening of the shops run by prior merchants and transport operators and following the completion of the necessary work for the expansion and functional upgrading of the additional commercial areas of the Bridge Plate and the settlement of contingent administrative issues, the commercial launch of the station took place in December.

Major openings included the following brands: Celio, Desigual, Tally Wejil, Carina Bjoux, Camomilla, Mokà, Mr Panino, Numbs.

During the same month of December, Venezia Santa Lucia Station was inaugurated, featuring the opening of 18 new businesses extending over 3,200 sq m approximately. The station showcased the following major brands: Boggi Milano, Kiko, Moleskine, L'occitane, Desigual, Wind, Tally Wejil.

As to the new areas located in the new HS Terminal of Bologna C.le station inaugurated in June 2013, the supply of passenger's primary services, including the opening of essential activities (Trenitalia and NTV self-service ticketing; food & beverage kiosks) was guaranteed.

On 15 July 2013, a settlement agreement was entered into with Network Italia Edicole (Dufry Italia Group) which made it possible to (i) overcome the mutual disputes and criticalities arisen in 2012, (ii) guarantee debt recovery, (iii) rationalise the areas in different stations of the Network and (iv) revisit the overall contractual balance.

On 3 December 2013, a preliminary agreement was entered into with the CONAD Group to open 4 markets totalling 4,000 sq m approximately using the new Sapori e Dintorni format within Roma Termini (opened in January 2014), Milano C.le, Firenze Santa Maria Novella and Napoli C.le stations.

An agreement is being drafted with Celio to open 4 new stores - in addition to those currently running in Milano C.le and Roma Tiburtina stations - within Roma Tiburtina, Firenze SMN, Bologna C.le and Torino P.N stations.

Regarding the dispute with Retail Group SpA, claims continued to be filed for the counterparty to comply with the contractual commitments undertaken (i.e., fulfilment of contractual and financial obligations, obligation to take delivery and open to the public the new renovated premises located in the Network; clearance of areas for the completion of work at Roma Termini Platform), consistent with the limitations set by ongoing arbitration proceedings.

The same principles guided the complex additional and separate dealings with the wholly owned companies of Retail Group, with actions being taken as a result, including legal actions.

The delivery of the renovated business premises to both Retail Group and its subsidiaries and the ensuing opening to the public of the new stores was affected by both the delay in making some areas available as well as the extremely difficult relationship as a whole.

During 2013, a number of actions were taken in an attempt to settle pending disputes and prevent litigations with a view to protecting the Company's revenues.

In this connection, the agreements reached with Salmoiraghi e Viganò, Maglione (Sarni Group) and Juice Bar, in addition to the aforesaid transaction with Network Italia Edicole), are worth mentioning.

New openings:

January

Grandi Stazioni opened a new 30 sq m Fiorucci brand store in Roma Termini station and another 95 sq m Spizzico brand store in Verona Porta Nuova station.

February

Five new shops were opened within the GS Network, including two catering businesses in Venezia S.Lucia station operating under the brands of F30 Lounge Bar and Tentazioni Cafè, one catering business run by Gourmet in Roma Tiburtina station and a further store in Napoli Centrale station, in addition to Trenitalia ticket office in Florence - which reached completion - and other 10 businesses operating within Roma Tiburtina station (Freccia Club, Trenitalia and NTV ticket office, Casa Italo, Bar Mokà as well as other service providers).

March

A new telephone point under the brand of "3" was opened to the public in Milano Centrale station.

April

Three new outlets were opened: a Bistrot-branded catering business in Milano Centrale station extending over 1,000 sq m approximately, an Euronet ATM in Roma Termini station and a Forexchange exchange bureau in Bologna Centrale station.

May

Two new outlets were opened in Milano Centrale station: a pizzeria under the brand of Rosso Pomodoro extending over 350 sq m approximately, and a McDonald's store on an area of about 1,250 sq m.

June

Four new businesses were opened: a 30 sq m Make-up business in Napoli C.le station under the brand of Niyo&Co, a Borri stationery shop in Roma Termini, a Kiko-branded Make-up outlet in Milano Centrale station and a food & beverage distribution business in the new HS Bologna C.le station.

July

Six new businesses were opened: the new Trenitalia ticket office in Verona Porta Nuova station, a new Spizzico-branded catering business in Bari C.le station as well as 3 new Mango, Nike and Calzedonia outlets in Venezia S.Lucia station.

August

Six new businesses were opened: the new Trenitalia ticket office in Bari C.le station, the new Ataf ticketing point in Firenze SMN, a new catering business under the brand of Mokà in Genova P.Principe as well as 3 new outlets under the brands of Boggi, Kiko and a giftware shop in Venezia S.Lucia station.

September

Three new businesses were opened: Alice Pizza Point in Firenze SMN, a new Venchi-branded ice-cream parlour/chocolate shop in Roma Termini and a Tally Wejil-branded shop in Venezia SL.

October

Four new businesses were opened: a new Yves Rocher-branded perfumery in Milano C.le, a childrenswear shop of Z chain of stores in Venezia SL, the new Ki-Point luggage storage in Napoli C.le and a new Carina Bjoux-branded outlet in Roma Tiburtina.

November

Six new businesses were opened: a Freccia Viaggi agency in Firenze SMN, a new Wind point of sale in Milano C.le, 3 service businesses in Venezia SL (one Freccia Viaggi and 2 Forexchange exchange bureaux) and the new Ki-Point luggage store in Bologna C.le

December

Twenty-three new businesses were opened: one new newsagent in Bari C.le, 3 new businesses in Milano C.le (Forexchange exchange bureau, Freccia Viaggi, Prima Donna), 5 new outlets in Venezia SL (Moleskine, Edicola Hudson, Desigual, L'Occitane and Wind), the new Ki-Point luggage storage as well as 2 new Benessere Angelini and TIM formats in Torino Porta Nuova, a Wind telephone shop in Verona Porta Nuova and 10 new businesses in Roma Tiburtina (Mokà, Mr Panino, Edicola, Tabacchi, Numbs, Camomilla, Tally Wejil, Celio, Desigual).

Office use

During 2013, office use marketing endeavours continued in order to increase the occupancy rate of available buildings.

The companies of the FS ITALIANE Group occupy 90,800 sq m, of which 78,300 sq m within the GS Network and 12,500 sq m in other buildings owned by Grandi Stazioni.

Third parties occupy 62,000 sq m, of which 58,300 sq m within the GS Network and 3,700 sq m in other buildings owned by Grandi Stazioni.

Following negotiations with the FS Group to encourage potential re-entries within the Grandi Stazioni Network in lieu of occupancies with third parties, the first stage of re-entry was launched during the year covering about 5,200 sq m within the complexes located in Napoli Centrale, Torino Porta Nuova (Trenitalia) and Bologna C.le (Italferr) stations.

New Leases

The following new occupancy agreements were entered into in 2013:

- *Napoli Centrale:*
    - Trenitalia: re-occupancy of office space (about 1,000 sq m) at Palazzo Alto in Naples;
    - Codime: office space (about 320 sq m) at Palazzo Alto in Naples;
    - Capgemini: office space (about 1,000 sq m) at Palazzo Alto in Naples;

  - Regus: office space (about 1,000 sq m) at Palazzo Alto in Naples;
- *Roma Termini:*
  - Federazione Italiana Intercat: Sindacati Trasporti office space;
  - Gemeaz Elior: office space following contract awarded for catering services on board trains;
- *Firenze S.M. Novella:*
  - Scuola Internazionale Di Ottica E Optometria: office space;
- *Bologna Centrale:*
  - ICCS Industrial Cleaning And Catering Services S.r.l.: office space and ancillary areas;
  - Italferr: re-occupancy of office sapce (about 1,700 sq m) at former Bologna C.le Post Office building;
- *Torino Porta Nuova:*
  - Trenitalia: re-occupancy of space office (about 2,500 sq m) at Torino Porta Nuova building 5;
- *Venezia S. Lucia:*
  - Luxury Trains Servizi Srl: office space;
- *Network:*
  - Manutencoop Facility Management Spa: office space and ancillary and service areas in Firenze S.M. Novella, Bologna Centrale and Venezia SL stations;
  - Gemeaz Elior: service space in all GS Network stations complementing the catering business on board trains;

During 2013, occupancy agreements were finalised and entered into with the operators who were awarded contracts for the execution of work pertaining to railway operators.

More specifically, occupancies were defined in respect of areas designated for the canteen service supplied to the FS Group, used by Gemeaz, and areas made available to the companies that were awarded contracts for services supplied to the FS Group.

Moreover, in 2013 agreements were finalised for the occupancy of the areas used by Manutencoop Facility Management in Firenze S.M. Novella, Bologna Centrale and Venezia SL stations, and by Dussmann Service Italia, both firms providing cleaning services on board the trains of railway transport operators.

With reference to the buildings owned by the Company, lease agreements were finalised for over 5,000 sq m regarding buildings located in Napoli Centrale (Palazzo Alto), Bologna Centrale and Firenze S.M.N stations; the negotiations for the sale of Genova P. Principe building were not completed.

MEDIA

Main events

2013 was for Grandi Stazioni the first year of direct operation of traditional and digital advertising equipment.

As a result, in 2013 the following processes came on stream:

- Production and delivery of traditional advertising campaigns
- Management of software platform for the delivery of digital advertising campaigns

- Maintenance of traditional and digital advertising equipment

A direct control over the advertising campaign production and delivery process enabled Grandi Stazioni to be more effective from a direct cost perspective, granted greater flexibility to its product and content offer and ensured greater customer satisfaction.
In 2013, activities continued to be carried out for the implementation of new generation digital advertising systems according to the strategy of overall transformation of Grandi Stazioni's advertising equipment, the purpose being to offer Media Customers more performing systems in line with demand outlook.

New Maxi-Led digital equipment was installed in Roma Termini, Napoli Centrale and Torino Porta Nuova stations, and the first new interactive Digitotem digital systems were installed in Roma Termini, Milano Centrale, Napoli Centrale and Torino Porta Nuova stations, which are expected to be completed in 2014.

Reference market trends

The total advertising market at the end of 2013 showed a year-over-year 12% drop (A.C. Nielsen forecasts), falling for the first time under the threshold of EUR 7.0 billion per year.
With regard to the total Outdoor segment, the year-end decrease stood at -13.5% (Nielsen forecasts), with an overall value estimated in the region of EUR 386 million.
Grandi Stazioni's market share rose from 4.2% to 5.0%, despite a slight 2.5% drop in turnover over 2012.
The above performance was due to:

- An acceleration in the implementation of new digital advertising systems that resulted in a turnover growth of approximately 40%.
- Integration of the planning on new digital advertising systems of budgets allocated to web/social digital planning.
- Re-launch of the Engagement business line through a dedicated design concept and digital engagement activities.
- Extension of medium and long-term structural agreements with the main investors in the fashion, automotive, technology and telecommunications segments.

Customer Services

Luggage storage and product/service sales

As a consequence of a drop in consumption, a lower use of luggage due to the advent of high speed technology and the request for greater quality from station users, starting from February 2013 Kipoint management became operational, as the firm was awarded the tender for a business lease agreement for the management of traditional luggage storage areas and the sale of ancillary products/services.

The new Kipoint concept not only provides the current luggage storage service, but it also offers station customers and external customers in the vicinity of the station itself a number of new quality products/services in comfortable environments (e.g. porter service, luggage transport and shipment to destination, national and international express courier, sale of travelling products, office supplies and stationery, lost property service, web surfing, payment of bills, copying, etc.).

During the fourth quarter of 2013, three sites were deployed (Naples, Turin and Bologna). By 2014, additional 11 luggage storage areas belonging to the Grandi Stazioni Network will be converted.

Fee-based sanitation services

Greater use of improved services by station users. Completion of the four missing sites by 2014.

Improved service level featuring well-kept environments and a greater focus on quality through close monitoring activities.

Pay and display parking

Revenues from parking lot located in Piazza dei 500 in Rome suffered as a result of a four-month delay in removing Roma Metropolitane construction sites from the square following works completed in the Underground below.

In November, the pricing of the two parking lots in Roma Termini was reviewed, with full effects showing in 2014.

Group performance and financial position

Consolidated income statement

It should be noted that the 2012 column reflects some restatements which were made, as detailed below, to provide a clearer and more accurate comparison of the consolidated financial position.

Moreover, to ensure a proper understanding of the operating result, it should be also noted that "*Other net costs*" include costs and provisions totalling EUR 8.9 million resulting from the negative outcome of the first level hearing relating to the dispute with former agents, in addition to EUR 0.8 million held under "*financial expense*".

Finally, "*depreciation and impairment losses*" also reflect EUR 4.7 million pertaining to doubtful receivables and EUR 1.8 million relating to depreciation of default interest held under financial income in the same amount.

	2013	2012	Changes	% Changes
Operating revenues	**205.8**	**199,8**	**6.1**	**3.0**
Revenues from sales and services	201.8	196,4	5.5	2.8
Other income	4.0	3,4	0.6	18.5
Operating costs	**(160.7)**	**(151.2)**	**(9.5)**	**(6.3)**
Payroll and related costs	(18.5)	(17.6)	(0.9)	(5.3)
Other net costs	(142.2)	(133.6)	(8.6)	(6.4)
EBITDA	**45.1**	**48.5**	**(3.4)**	**71**
Amortisation and depreciation	(16.7)	(11)	(5.7)	(51.2)
Writedowns and impairment losses (writebacks)	(6.9)	(1)	(5.7)	(448.6)
EBIT	**21.5**	**36.2**	**(14.8)**	**(40.7)**
Financial income and expense	(3.2)	(5.8)	2.6	45.4
PRE-TAX RESULT	**18.3**	**30.4**	(12.1)	(39.8)
Income taxes	(8)	(9.9)	**1.6**	16.4
PROFIT (LOSS) FROM ONGOING OPERATIONS	**10.0**	**20.5**	**(10.5)**	**(51.2)**
PROFIT (LOSS) FROM ASSETS HELD FOR SALE NET OF TAX EFFECTS	**0.0**	**0.0**	**0.0**	
NET PROFIT (LOSS) FOR THE PERIOD	**10.0**	**20.5**	**(10.5)**	**(51.2)**
Group net result	9.1	19.8	(10.7)	(54.3)
Minority interest net result	1.0	0.7	0.3	35.6

"Operating revenues" in 2013 stood at EUR 205.8 million, showing a net increase of EUR 6.0 million compared to 2012 (+3%) as detailed below:

- Lease revenues rose by EUR 2.8 million (+3%) due to new area openings completed and a drop in vacancy;
- Revenues from refund of tenancy costs pertaining to complex buildings stood at EUR 6.2 million (+9%) due to an increase in areas managed and costs to be allocated;
- Revenues from engagement and special installations rose by EUR 1 million (+24), while advertising revenues fell by EUR 1.5 million (-10%);
- Revenues from customer services decreased by EUR 3.1 million (-30%) following the lease of the "Luggage storage" business segment and given that only the lease fee net of the costs previously incurred by the company was reflected in the revenues;

- Other income went up by EUR 0.6 million (+18%) following greater refunds of charges and penalties applied.

A breakdown of and changes in "*revenues from sales and services*"

Figures in millions	2013	2012	CHANGE
Lease revenues	96.9	100.3	3.4
Reimbursement of accessory costs	76.3	76.9	0.6
Revenues from engagement and special equipment	5.2	4.2	1
Advertising revenues	13.8	15.3	-1.5
Revenues from customer services	7.3	10.4	-3.1
Revenues from engineering services	0	0	0
Change in work in progress	2.3	2.3	0
Totals	**201.8**	**196.4**	**5.4**

and "*other income*" are *shown below:*

Figures in millions	2013	2012	CHANGE
Ordinary capital gains	0.1	0	0.1)
Sundry reimbursements	3.1	2.8	0.3
Other income	0.8	0.6	0.2
Totals	**4.0**	**3.4**	**0.6**

"*Operating costs*" stood at EUR 160.7 million, showing a EUR 9.5 million net increase compared to 2012 (+6%) as detailed below:

- "Payroll and related costs" *(EUR 18.5 million) increased by EUR 0.9 million (5%) due to provisions for risks and charges and charges for disputes with employees following the release of funds that benefitted the 2012 financial year.*

Figures in millions	2013	2012	CHANGE
Employees	(17.3)	(17.4)	0,1
Freelance, seconded staff and collaborators	(0.8)	(1.0)	0,2
Provisions/(releases)	(0.4)	0,8	(1.2)
Total	**(18.5)**	**(17.6)**	**(0.9)**

- "*Other net costs" (EUR 142.2 million) increased by EUR 8.6 million compared to 2012 (6%) as detailed below:*
    - Purchases of raw materials remained virtually unchanged compared to the previous year, standing at EUR 0.2 million.

- Service costs stood at EUR 89.2 million, increasing by EUR 1.6 million over 2012.

The change in service costs was mainly due to:

- A EUR 7.3 million increase in security, cleaning, maintenance and station utility costs following a broader operation scope;
- An EUR 1.9 million increase in costs relating to engineering services purchased from third parties.
- A EUR 2.3 million decrease in customer service costs following the lease of the "Luggage storage" business segment, with costs being covered by the lessee;
- A EUR 2.3 million decrease in other services mainly due to the resolution of the JV agreement relating to the media business.
- A EUR 1.9 million reduction in provisions for risks and charges.

- Il "U*se of third party assets"* came in at EUR 40.1 million, showing a EUR 0.9 million increase compared to the previous financial year. The increase was mainly due to a rise in the reconveyance fee relating to the agreement for use of station buildings.
- "*Other operating costs*" stood at EUR 15.8 million, showing a EUR 5.8 million increase compared to the previous year, due to amounts exceeding provisions for risks and charges allocated at the end of the previous year that were paid to former agents pursuant to first-level judgements.
- "*Capitalisations"* stood at EUR 3.1 million, with a decrease of EUR 0.3 million, and comprised the costs relating to the technical structure used in renovation and enhancement work.

A breakdown of and changes in "*Other net costs*" are shown below:

Figures in millions	2013	2012	CHANGE
Raw and consumable materials	**(0.2)**	**(0.1)**	**0.1**
Services			
Cleaning	(21.3)	(19.6)	(1.7)
Maintenance	(21.1)	(17.9)	(3.2)
Utilities	(20.6)	(19.8)	(0.8)
Engineering services	(2.7)	(0.8)	(1.9)
Services - Security	(9.5)	(8.0)	(1.5)
Other utilities	(1.1)	(1.3)	0.2
Costs for customer services	(2.8)	(5.1)	2.3
Commissions	(2.5)	(2.2)	(0.3)
Professional services	(1.6)	(2.1)	0.5
Insurance premiums	(1.1)	(1.0)	(0.1)
IT services	(0.9)	(0.9)	-
Consulting	(0.2)	(0.2)	-
Advertising and promotional expenses	(0.6)	(1.2)	0.6
Remuneration of corporate bodies	(0.3)	(0.3)	-
Travel and accommodation	(0.5)	(0.6)	0.1
Other costs	(2.3)	(4.7)	2.3
Provisions/releases	(0.0)	(1.9)	1.9
Running total	**(89.2)**	**(87.6)**	**(1.6)**
Use of third party assets	**(40.1)**	**(39.2)**	**(0.9)**
Other operating costs	**(15.8)**	**(10.0)**	**(5.8)**
Capitalisations	**3.1**	**3.4**	**(0.3)**
Totals	**(142.2)**	**(133.6)**	**(8.6)**

"*EBITDA*" stood at EUR 45.0 million, showing a drop of EUR 3.5 million compared to 2012. The result was affected by EUR 8.9 million resulting from the negative outcome of the first level hearing pertaining to the dispute with former agents. If these costs were to be excluded, *EBITDA* would stand at EUR 53.9 million.

"Amortisation and depreciation" came in higher at EUR 16.7 million compared to EUR 5.7 million in the previous year due to depreciation that came into play during the year in respect of major work completed on the properties of Venezia S. Lucia and Firenze S. Maria Novella, depreciation (EUR 1.0 million, of which EUR 0.7 million for prior years) of the property in Genoa, which had been stated as *"Assets held for sale"* since 2010 and, therefore, had not been amortised.

"Writedowns and impairment losses/writebacks" stood at EUR 6.9 million, increasing by EUR 5.7 million compared to the previous period due to:

- Expenses reflected in the income statement to the extent of EUR 0.4 million pertaining to projects that did not turn into investment projects.
- Doubtful receivables to the extent of EUR 6.5 million (up 5.3 million over 2012), of which EUR 1.8 million relating to receivables from default interest held under financial income. Provisions for doubtful receivables totalled EUR 12.5 million, increasing by EUR 2.6 million over 2012 (EUR 0.8 million for trade receivables and EUR 1.8 million for default interest).

"*EBIT*" stood at EUR 21.4 million, showing a drop of EUR 14.8 million compared to 2012. The result was affected by the aforesaid non-recurring event pertaining to the outcome of first level hearings of disputes with former agents. If such costs were not considered, then *EBIT* would stand at EUR 30.3 million.

The balance of *"Financial income and expense"* amounted to EUR 3.2 million, with a net decrease of EUR 2.6 million compared to the previous period, essentially due to greater default interest income and lower interest expense on long-term loans.

Due to the above, *"Income taxes"* amounted to EUR 8.3 million, showing a decrease of EUR 1.6 million over the previous year.

The "*Net result for the year"* showed a net profit of EUR 10.0 million, with a decrease of EUR 10.5 million compared to the previous year. The reasons underlying this significant decrease in net profit are mainly ascribable to the non-recurring events as aforesaid. If such costs were not considered, then *Net profit* would stand at EUR 16.6 million.

Restated consolidated balance sheet

	31.12.2013	31.12.2012	Changes
Net operational working capital	(4.9)	(5.1)	0.3
Other net assets	32.4	36.9	(4.5)
Working capital	**27.6**	**31.8**	**(4.2)**
Fixed assets	311.7	308.0	3.7
Shareholdings held under financial assets	0.0	0.0	0.0
Net fixed assets	**311.7**	**308.0**	**3.7**
Employee leaving indemnities	(1.9)	(2.2)	0.3
Other provisions	(11.2)	(15.3)	4.0
Employee leaving indemnities and other provisions	**(13.2)**	**(17.5)**	**4.3**
Net assets (liabilities) held for sale	**0.0**	**7.3**	**(7.3)**
NET INVESTED CAPITAL	**326.1**	**329.5**	**(3.5)**
Short-term net financial position	6.4	(16.9)	23.3
Medium- long-term net financial position	160.9	180.4	(19.5)

Net financial position	**167.3**	**163.5**	**3.8**
Shareholders' equity	**158.8**	**166.1**	**(7.2)**
TOTAL HEDGING	**326.1**	**329.5**	**(3.5)**

"*Net invested capital*" as at 31 December 2013 stood at EUR 326.1 million, dropping by EUR 3.5 million compared to 2012 year end due to changes in "*working capital*" (- EUR 4.2 million), "*net fixed assets*" (+ EUR 3.7 million), "*Employee leaving indemnities and other provisions*" (+ EUR 4.3 million) and *"net assets/(liabilities) held for sale"* (- EUR 7.3 million), while "*hedges*" decreased due to changes in "*net financial position*" (+ EUR 3.7 million) and "*shareholders' equity*" (- EUR 7.2 million).

The restated consolidated balance sheet disclosed the following:

- A EUR 0.3 million increase in "*net operational working capital*" due to a decrease in construction contracts (- EUR 3.7 million), a decrease in trade receivables (- EUR 4.7 million), a decrease in trade payables (+ EUR 10.0 million) and a decrease in advances to suppliers (+ EUR 1.3 million);
- A EUR 4.5 million decrease in "*other net assets"* due to changes in taxes and other assets/liabilities;
- A EUR 3.7 million increase in *net fixed assets* mainly due to an increase in fixed assets (+ EUR 54.3 million) and a decrease in amortisation/depreciation (- EUR 16.7 million), capital grants (- EUR 24.6), impairment losses (- EUR 0.4 million) sales/disposals (- EUR 6.6 million) and restatements (- EUR 2.3 million);
- A EUR 4.3 million decrease in *Employee leaving indemnities and other provisions* due to a EUR 0.3 million decrease in Employee leaving indemnities, a EUR 2.0 million decrease in funds for risks and charges and deferred tax liabilities totalling EUR 2.0 million;
- A EUR 7.3 million decrease in *assets held for sale"* due to the cost of the building in Genoa being restated under "*fixed assets"* following failure to meet the requirements to state it thereunder;
- A EUR 3.8 million increase in *net financial position* due to an increase in ""*short-term net financial position"* following an increase in short-term obligations (+ EUR 23.3 million) and a decrease in "*medium/long-term net financial position"* due to repayment of prior loans (- EUR 19.5 million);
- A EUR 7.2 million decrease in *shareholders' equity* due to the effect of the profit realised in 2013 (+ EUR 10.0 million) net of dividends distributed (- EUR 15.4 million), some items of the statement of comprehensive income for the period reflected directly in the shareholders' equity (+ EUR 1.7 million) and a change in non-current financial liabilities pertaining to derivatives (- EUR 3.5 million). The restated figure pertaining to company's worth is different from statutory shareholders' equity due to financial liabilities relating to derivatives, totalling EUR 7.1 million in 2013..

The restated statements and related explanatory notes commenting on the separate financial statements of Grandi Stazioni S.p.A. were omitted as they mainly coincide with the figures shown in the consolidated statements. Separate disclosure was not considered useful in terms of additional information for those reading the financial statements.

Reconciliation as at 31 December 2013 and 31 December 2012 between Grandi Stazioni SpA financial statements and the consolidated financial statements as related to operating result and shareholders' equity.

The table below shows a reconciliation as at 31 December 2013 and 31 December 2012 between Grandi Stazioni SpA financial statements and the consolidated financial statements as related to operating result and shareholders' equity (figures in €'000s).

	31 December 2013		31 December 2012	
	Shareholders' equity	**Result for the period**	**Shareholders' equity**	**Result for the period**
Grandi Stazioni S.p.A.	144,561	8,293	149,432	19,272
Profit (loss) of consolidated subsidiaries following acquisition net of dividends and depreciation		898		1,035
Group share of profit (loss) and of previous periods	3.264		2.705	
Reversal of dividends				
Total	**147,825**	**9,191**	**152,137**	**20,307**
Other consolidation adjustments				
Reversal of intergroup profits	(2,680)	(85)	(2,540)	(135)
Other adjustments		(53)		(372)
Total	**145,145**	**(138)**	**149,597**	**(507)**
Reserve for translation differences	74		58	
Group shareholders' equity	**145,219**	**9,053**	**149,655**	**19,799**
Minority interests (excluding profit/loss)	5,540		5,097	
Profit (loss) pertaining to minority shareholders	899	899	711	711
Shareholders' equity pertaining to minority interests	**6,439**	**899**	**5,808**	**711**
Total consolidated shareholders' equity	**151,658**	**9,952**	**155,463**	**20,510**

Risk factors

The activities carried out by the Group expose it to a number of financial risks, including market risk (interest rate risk, price risk and exchange rate risk), liquidity risk and credit risk.

The Group's financial and operating policies are focused on, among other things, minimising the negative impact of these risks on the Group's financial performance. By way of protection from exposure to certain risks, the Company makes use of financial derivatives.

The updating of the risk mapping as part of the Risk Management Project was completed at year end.

Under section 5 of the accompanying notes to the annual financial statements, information is provided regarding the exposure to each of the risks indicated above, the objectives, policies and management processes applied to such risks and the methods used to assess them. Risk management focuses on the volatility of financial markets and seeks to minimise potential undesirable effects on financial and economic performance.

Investments

North West Lot Tender

Following the execution of the 2012 acknowledgement clause setting forth the withdrawal of agent DEC SpA and principal SACAIM Spa (being subject to compulsory administration) in favour of principal Guerrato SpA, work resumed in the second half of last year. Tender time schedules were rearranged overall, with the Amending and Supplementary Deed being executed on 10 June 2013, which basically rearranged the time schedules of the entire tender, bringing them in line with the latest forecasts. During 2013, work carried out as part of the projects under the "Legge Obiettivo" in Genova Principe and Genova Brignole stations with respect to Piazza Acquaverde and Piazza Verdi was delivered, while construction work relating to Genova Brignole ACC building reached completion. Upon completion of the operations for the reclamation of land containing asbestos as part of the "Legge Obiettivo" works pertaining to Torino PN station, the local health authorities (ASL) released the areas and allowed work to be resumed for the construction of a micropole bulkhead to contain excavations. The temporary protected transit was opened within T76 commercial premises to close the station exit on via Sacchi and expand the construction site area. As part of the works to be carried out in Milan station under "Legge Obiettivo", following the release of the areas by the relevant Military Command work was completed in respect of stage 1 of the urban redevelopment scheme for Piazza IV Novembre and Via Sammartini, where tanks for the containment of future plane trees were built, such trees being later installed in October. As part of the renovation work for Genova Principe station, work virtually reached completion on 31 December 2013.

North East Lot Tender

With regard to work inside Venezia Santa Lucia station, completion thereof was virtually reached. As to complementary infrastructure, work was virtually completed on 30 November 2013.

With reference to works inside Venezia Mestre station, all works not affected by the construction of Trenitalia premises were completed (given the type of station, such premises could not temporarily delocalised and were expected to be completed shortly). Renovation work was well underway in all of the available areas. With regard to complementary infrastructure, the characterisation of excavation soil showed the presence of polluting matters. A dispute arose with the contractor to seek land reclamation and transportation to dumping site. Grandi Stazioni started an independent analysis and review of soil pre-characterisation for the purpose of establishing the condition of the soil on an objective basis. The final findings of the above endeavour came through and showed the need for further investigations on some samples so as to assess the proper burden for delivery to the dumping site. This additional endeavour identified exactly the type of material to be delivered to the dumping site. To date, dumping sites that can deal with the material coming from excavations are being identified. As a result, operations may be resumed in order to solve interferences with RFI cable ducts existing in the subsoil of the parking pillar excavation area.

As to works inside Verona Porta Nuova station, all works included in the project were completed, as were the implementations and requests referring to fixed signage and tactile paths inside the station, with testing being underway. With regard to complementary infrastructures, stage II landmine clearance work (underground car park) was completed in close synergy with the local bodies in relation to recent findings

(skeletal remains, various unexploded military ordnance left over). With regard to the surface restoration of the car park, the Municipality of Verona requested a revision of the type of work to be performed in order to use such surfaces as a garden as well as car park. After agreeing the final layout with the Municipality, formalities were to be discharged by the latter in order to proceed with the executive stage accordingly. It should be noted that such revision did not affect the construction site's production process.
Work went on as scheduled.

Centre Lot Tender

By execution of the business segment transfer agreement, ICS - in its capacity as transferor of the business segment - definitively waived the legal action undertaken and any claim/reservation however filed and/or to be filed against, and requested and/or to be requested for any reason to, the client in respect of all matters concerning the contractual dealings under the tender contracts in question. The amount of the reserves recorded in relation to the work of the two Lots exceeded EUR 64 million.
Satrel S.p.A., in its capacity as the new assignee of the JV set up with Mugnai S.p.A., will therefore take steps to complete the work covered by the contracts, under the same terms, conditions and prices, undertaking all liability on the basis of current legislation, including therein the liability associated with the services carried out by ICS until the date of transfer of the business segment.
On conclusion of the contractual events described above, any disputed situation with the JV awarded the tender consequently ceased, and thus on 7 January 2013 Grandi Stazioni took steps to sign Additional Clause 1 with the consequent resumption of work.
On 30 June 2013, the virtual completion work report was signed regarding the functional upgrading and improvement project for Firenze SMN station. To date, marginal work is still pending in Florence station, with resumption of work concerning the entire lot being affected by hardships faced by the Contractor which resulted in a request for composition procedures filed with the Prato Court on 13 December 2012, as a result of which all works were suspended.

South Lot Tender

By execution of the business segment transfer agreement, ICS - in its capacity as transferor of the business segment - definitively waived the legal action undertaken and any claim/reservation however filed and/or to be filed against, and requested and/or to be requested for any reason to, the client in respect of all matters concerning the contractual dealings under the tender contracts in question. The amount of the reserves recorded in relation to the work of the two Lots exceeded EUR 64 million.
Satrel S.p.A., in its capacity as the new assignee of the JV set up with Mugnai S.p.A., will therefore take steps to complete the work covered by the contracts, under the same terms, conditions and prices, undertaking all liability on the basis of current legislation, including therein the liability associated with the services carried out by ICS until the date of transfer of the business segment.
On conclusion of the contractual events described above, any disputed situation with the JV awarded the tender consequently ceased, and thus on 7 January 2013 Grandi Stazioni took steps to sign Additional Clause 1 with the consequent resumption of work.
Resumption of work was affected by hardships faced by the Contractor which resulted in a request for composition procedures filed with the Prato Court on 13 December 2012, as a result of which all works were suspended.

Integrated video-surveillance Tender

Following completion of stage 1 operations, the activities were strictly related to the stage of completion of the renovation programmes and therefore they continued as scheduled. It should be pointed out that on 19 February 2013 Grandi Stazioni received a letter of formal notice from Sielte/Honeywell JV requesting at the same time contract termination. The above letter stated 9 reserves, totalling EUR 24,417,426.95, while work accounted for up to 28 December 2012 showed reserves totalling EUR 8,888,936.89. On 18 March 2013, Sielte/Honeywell JV informed that it had stopped providing services as of 11 March 2013, save for construction site safety assurance. As of 28 May 2013, following many meetings aimed at settling the ongoing dispute, the aforesaid JV notified resumption of work. The final testing certificate pertaining to integrated video-surveillance operations carried out in Turin and Milan stations was issued.

The Roma Tiburtina Tender

On 21 January 2013, following the development of the Fire Prevention project, GS submitted the project to the Provincial Fire Authorities and following conditional approval the new project was submitted again and finally approved on 18 October 2013. Following the inputs provided by ARCHITETTI ASSOCIATI SRL up to 31 January 2013, such inputs were implemented/included in the executive project approved in respect of the development of commercial areas in the northern region (towards Florence). On 31 January 2013, a work completion report was signed with RFI regarding the building complex as per contract dated 28 September 2012. On 1 February 2013, a tender contract was signed with Gemmo spa for the deployment of electric and mechanic systems. On 15 February 2013, work reached completion. In order to allow design activities to be completed in compliance with the changes agreed upon with RFI and ARCHITETTI ASSOCIATI SRL, on 15 March 2013 work was suspended. On 22 March 2013, the executive project was delivered to RFI complete with the latest arrangements agreed upon with RFI and ARCHITETTI ASSOCIATI SRL. This new project revision contemplated all extra costs (a portion of which pertained to RFI) arising from the agreements/requests of lessees with whom preliminary agreements were entered into, regulatory requirements and adjustments due to new design-related requests. On 8 April 2013, RFI approved the revised executive project. Georadar surveys were conducted to identify the exact positioning of ground anchorage of load-bearing structures, with withstand tests being performed on such anchorage. Again as part of the above endeavours, the Municipality of Rome issued a Municipal Resolution approving the certified expert's report pertaining to town-planning compliance of the approved project. To date, work on the platform has been virtually completed, with stores being inaugurated on 17 December 2013.

Replacement of the roofing of the Turin Porta Nuova station

Suspended work resumed to allow a variation appraisal to be drawn up, the purpose of such appraisal being to define work to be carried out for the installation of scaffoldings on Corso Vittorio Emanuele II facade, which was completed. Work needed to be contracted out to establish the degree of deterioration of the main facade, while work for the restoration of roofs on parts of the buildings facing Via Sacchi continued as scheduled.

Situation of investments in works pertaining to media property and equipment of the Grandi Stazioni Group

(Figures in €/m)	Progress at 31/12/2012	Restatements at 31/12/12 (*)	Progress 2013	Progress at 31/12/2013	Full-life cost of operations (**)	% progress at 31/12/2013
Renovation works	**207.7**	**-4.8**	**9.3**	**212.2**	**225.0**	**94%**
B ari Centrale	4.3	-0.1	0.2	4.5	5.4	84%
Bologna Centrale	8.8	-0.5	1.0	9.3	13.1	71%
Firenze S. M. Novella (***)	7.1	-0.7	1.8	8.2	8.2	100%
Genova Brignole	2.5		0.6	3.1	5.7	53%
Genova Principe	6.1	-0.1	1.3	7.3	8.7	84%
Milano Centrale **(**)**	64.4	-0.7	0.1	63.8	62.9	102%
Napoli Centrale (***)**	36.2	-0.4	0.0	35.9	34.0	106%
Palermo Centrale	2.6		0.1	2.7	5.5	48%
Roma Termini	28.8	-0.1	0.0	28.7	28.8	100%
Torino Porta Nuova	32.8		0.0	32.8	35.7	92%
Venezia Mestre	1.7	-0.1	0.6	2.2	3.5	63%
Venezia S. Lucia	7.7	-0.5	1.9	9.1	9.1	100%
Verona Porta Nuova (***)	4.7	-1.8	1.6	4.6	4.6	100%
Complem. infrastr. & video surveillance	**82.3**	**0.0**	**22.8**	**105.1**	**284.6**	**37%**
Bari Centrale	1.4		0.0	1.4	11.2	13%
Bologna Centrale	1.8		0.2	1.9	22.8	8%
Firenze S. M. Novella	0.7		1.1	1.7	2.4	71%
Genova Brignole	1.2		0.7	1.9	5.1	36%
Genova Principe	5.8		0.8	6.6	13.1	50%
Milano Centrale	2.7		1.4	4.0	8.1	50%
Napoli Centrale	3.0		0.5	3.5	20.1	17%
Palermo Centrale	0.8		0.0	0.8	4.3	19%
Roma Termini	8.7		8.8	17.5	104.6	17%
Torino Porta Nuova	1.4		0.9	2.3	9.6	24%
Venezia Mestre	0.9		0.1	1.0	5.3	19%
Venezia S. Lucia	2.6		2.9	5.5	5.6	99%
Verona Porta Nuova	4.5		3.3	7.8	16.1	49%
Implementation of CIPE provisions	5.4		0.0	5.4	5.4	100%
Videosorveglianza	41.6		2.2	43.8	51.1	86%
Own properties	**44.4**	**-1.2**	**0.3**	**43.5**	**46.0**	**95%**
Bologna Centrale	7.8		0.0	7.8	7.8	100%
Firenze S.M .Novella	0.1	-0.1	0.0	0.0	0.0	
Genova Piazza Principe	0.0		0.0	0.0	0.0	
Napoli Centrale	28.7	-1.1	0.3	27.8	30.3	92%
Venezia S. Lucia	7.8		0.0	7.8	7.8	100%
Enhancements	6.0	0.2	8.1	14.3	24.5	58%
Maintenance	2.8	0.0	1.6	4.4	4.4	100%
Media equipment	10.9	0.0	0.6	11.5	14.11	81%
Other operations	8.3	-0.5	0.1	7.9	8.5	92%
GRAND TOTALS	362.4	-6.3	42.8	398.8	607.1	66%

(*) Restatements relate to investments accounted for in prior years and paid back by Rete Ferroviaria Italiana SpA to GS, who paid for them, as well as estimate adjustments.
(**) Full-life cost does not include investments to be paid back by Rete Ferroviaria Italiana SpA to GS, who paid for them.
(***) Full-life cost adjusted ex post

Research & Development activities

The Group did not carry out any R&D activities in 2013.

Economic performance of subsidiary companies

Grandi Stazioni Ceska Republika SRO

Grandi Stazioni Ceska Republica SRO (GSCR) is the company to which Grandi Stazioni SpA transferred the contract for the renovation and operation of central Prague stations and Marianske Lazne, awarded to the latter by the Czech railway authorities. As a guarantee for the obligations undertaken by the transferee, the transferor provided a side letter standing surety. The company's share capital totals CZK 240 million (approximately EUR 10 million), underwritten by Grandi Stazioni SpA (51%), BERS (39%) and SIMEST SpA (10%), while shareholders' fund totals CZK 368.7 million (around EUR 14 million). On 29 August 2011, a pledge was registered on the company shares at the local register of businesses as a guarantee for the loan granted by Unicredit Bank Austria AG.
The Company completed renovation at the Marianske Lazne and Prague Central stations (New Hall and part of the Fanta Building).
Overall investments of CZK 1,153 million (around EUR 42 million) are covered by an original long-term loan of CZK 730 million (around EUR 27 million), while the remaining amount is covered by shareholders’ equity and cash flows generated by operations.
The key indicators and ratios from the financial statements prepared according to international accounting standards are illustrated below.

In CZK'000s	2013	2012	Change	%
Key indicators				
Operating revenues	177,062	166,651	10,411	6.2%
Gross operating margin (EBITDA)	83,719	74,732	8,987	12.0%
Operating income (EBIT)	82,912	74,317	8,595	11.6%
Result for the period	47,680	36,460	11,220	30.8%
Net financial position	602,777	656,537	(53,760)	(8.2)%
Shareholders’ equity	368,709	323,555	45,154	14.0%
Average workforce	3	3	0	0%

Key ratios	2013	2012
ROE	15.7%	14.0%
ROI	8.5%	7.6%
ROS (EBIT MARGIN)	46.8%	44.6%
EBITDA/OPERATING REVENUES (EBITDA MARGIN)	47.3%	44.8%
INVESTED CAPITITAL TURNOVER (NAT)	0.18	0.17
DEBT/EQUITY	1.85	2.23

Grandi Stazioni Ingegneria S.r.l.

Grandi Stazioni Ingegneria S.r.l. (GSI) is 100% owned by Grandi Stazioni SpA and its purpose is to carry out feasibility studies, research, consultancy, design, direction of works, assessment of technical and economic compliance and environmental impact studies, as well as coordinating buildings and carrying out civil works also under concession, plumbing, road works, industrial works, cultural heritage works, sports facilities, farming industry structures and land reclamation, including management of such works. Operations ended essentially on 30 November 2013 following resolution of agreements entered into with Grandi Stazioni S.p.A and the latter's takeover of agreements with third parties. On 27 February 2014, the company approved the balance sheet as at 31 December 2013 and the reverse merger in Grandi Stazioni S.p.A.

The company's share capital amounts to EUR 20,000, fully subscribed by Grandi Stazioni SpA, while shareholders' equity stands at EUR 730,000.
The key indicators and ratios from the financial statements - originally prepared according to Italian accounting standards and then restated according to the international accounting standards - are illustrated below.

In €'000s	2013	2012	Change	%
Key indicators				
Operating revenues	3.242	4.162	(920)	(22.1%)
Gross operating margin (EBITDA)	91	531	(439)	(82.8%)
Operating income (EBIT)	80	505	(425)	(84.2%)
Result for the period	(38)	295	(333)	(112.9%)
Net financial position	(125)	(77)	(48)	61.6%
Shareholders' equity	727	765	(38)	(5.0%)
Average workforce	36.0	40.1	(4.1)	(10.2%)
Key ratios				
ROE	(6.1%)	70.1%		
ROI	12.4%	95.5%		
ROS (EBIT MARGIN)	2.5%	12.1%		
EBITDA/OPERATING REVENUES (EBITDA MARGIN)	2.8%	12.8%		
INVESTED CAPITITAL TURNOVER (NAT)	5.03	7.86		
DEBT/EQUITY	(0.2)	(0.1)		

Own shares

As at 31 December 2013, Grandi Stazioni S.p.A. did not hold any own shares and/or shares in the parent company, either directly or via trust companies or third parties.
During 2013, the company did not purchase or sell any own shares and/or shares in the parent company, either directly or via trust companies or third parties.

Other information

Secondary offices

Grandi Stazioni SpA has secondary offices in Piazza Luigi di Savoia 1/23, Milan, Italy.

Investigations and criminal proceedings underway

Advertising Video-communication System and Video-surveillance work interference

Criminal proceedings started further to Grandi Stazioni S.p.A. filing a complaint against persons unknown in relation to the alleged performance of acts by FIDA S.p.A between November 2007 and February 2008 in respect of the removal of alleged interference between the advertising video-communication system and integrated video-surveillance installations in the main Italian railway stations.

The General Manager and CEO of FIDA S.p.A are jointly under investigation in the proceedings, as are the former CEO and other employees of Grandi Stazioni.

As part of the aforementioned proceedings, seizure was ordered and carried out for the file relating to the civil proceedings undertaken by the FIDA S.p.A against Grandi Stazioni before the Rome Court to obtain payment of the fees for services allegedly provided.

During the first hearing held on 21 March 2013, the matter pertaining to the contested vagueness of the charge was not upheld by the Judge. During the hearing held on 27 November 2013, the CEO of Grandi Stazioni SpA was heard, the following meeting being scheduled for 30 September 2014.

Former Venice Divisional Building

These criminal proceedings arose further to Grandi Stazioni S.p.A. filing a complaint on 11 January 2010 for offences pursuant to Articles 640, 61 7 and 11 of the Italian Criminal Code (Aggravated fraud) and Section 2625 of the Italian Civil Code (Obstruction of control activities), in relation to the conduct of former directors and executives of the Company and the legal representative of Emmegi Consulting s.r.l, the company appointed to provide support and consultancy for the purpose of drawing up a lease agreement for "Palazzo compartimentale" in Venice and subsequent sale of such property, with completion of preliminary investigations still pending.

On 8 October 2012, the Rome Public Prosecutions Office issued an order for closure of the preliminary investigations pursuant to Article 415(a) of the Italian Code of Criminal Procedure, with the following individuals being investigated for the offence as per Article 640.2 and 110 of the Italian Code of Criminal Procedure (Aggravated fraud): the legal representative of Emmegi Consulting, the legal representative and de facto director of Valeur A Real Estate S.r.l and a former executive of Grandi Stazioni who jointly resorted to fraud and deceit consisting in the organisation of fictitious advisory appointments aimed at misleading Grandi Stazioni S.p.A., thereby obtaining an unjust profit and causing equal damage for the injured party. The former CEO of Grandi Stazioni at the time of the incident was not under investigation. The Company will bring civil action in the proceedings against the parties who will be committed for trial in the criminal proceedings in question.

No significant events occurred in 2013.

Employees at Naples office

Criminal proceedings arose following a complaint filed by Grandi Stazioni on 15 December 2010 with the Naples Prosecutor's Office against five employees of the Company for the offence under Articles 640 and 51, No. 11 of the Criminal Code (Aggravated fraud) and for all related offences, with the Company

further reserving the right to join prosecution as plaintiff in relation to inquiries on serious irregularities in the use of the company badge.
No significant events occurred in 2013.

Mediagest Group

Criminal proceedings were started following a complaint lodged on 8 June 2011 with the Rome Prosecutor's Office against people unknown for offence under Articles 640 and 61, No. 7 and 11 of the Italian Criminal Code (Aggravated fraud) and all related crimes and reserving the right to institute a civil action in relation to the behaviour shown by the legal representative of Gruppo Mediagest S.r.l., who knowingly committed fraud and deceit consisting of a change of director and registered office for the sole purpose of thwarting the claims filed by Grandi Stazioni), thereby fraudulently avoiding the executive action lawfully undertaken by the plaintiff to recover amounts due.
The company was declared bankrupt in January 2013.

Other proceedings

Proceedings started by the Antitrust Authorities

By deed adopted on 22 May 2013, the Italian antitrust authority (AGCM, Autorità Garante della Concorrenza e del Mercato) resolved to start investigation proceedings as under Article 14 of Law No. 287/1990 against Ferrovie dello Stato Italiane S.p.A., Rete Ferroviaria Italiana S.p.A., Trenitalia S.p.A., Grandi Stazioni S.p.A., Centostazioni S.p.A. and FS Sistemi Urbani s.r.l. to establish whether a violation of Article 102 of the TFEU had been committed in respect of alleged discriminatory and obstructive conducts shown by the aforesaid companies following charges pressed by Nuovo Trasporto Viaggiatori S.p.A. (NTV) by report dated 16 May 2012.
By deed notified on 28 May 2013, AGCM authorised an inspection to be conducted at Grandi Stazioni offices. The aforesaid inspection was carried out by AGCM officials on 28 May 2013, during which documents pertaining to the matters reported by NTV were collected.
As far as Grandi Stazioni was concerned, in the complaint lodged with AGCM NTV claimed that:
They did not receive any positive feedback on the requests regarding the positioning of permanent information totems installed in various stations, especially in the main halls, including Firenze Santa Maria Novella and Roma Tiburtina, adding that they suffered a discriminatory treatment compared to Trenitalia;
An obstructive conduct was shown with respect to the positioning of NTV mobile information desks near HS rails as well as inside the stations;
They suffered a discriminatory treatment compared to Trenitalia as well as other advertisers whose business did not compete with Trenitalia's and whose requests for advertising space were said to have been dispatched expeditiously;
The advertising campaign prices applied to them were higher than those applied to Trenitalia;
Their own self-service ticketing systems were allegedly positioned with delay and/or unsuitably in many stations.
Upon a joint motion submitted by Grandi Stazioni and Centostazioni, on 26 July 2013 a hearing was held at AGCM's office, during which Grandi Stazioni accurately proved the lack of grounds of the complaints lodged by NTV.
Grandi Stazioni and Centostazioni thereafter submitted a joint motion to AGCM to seek an extension of the three-month deadline - from the date proceedings were first notified - by which the companies may submit such commitments as to cause the anti-competitive conducts referred in the aforesaid proceedings

to be inapplicable, in pursuance of Article 14(b) of Law 287/1990. By resolution dated 13 August 2013, AGCM postponed the above deadline to 10 October 2013.

On 10 October 2013, the Group companies involved in the proceedings submitted their own commitments to AGCM, stressing at the same time in the application form (prior to such commitments) that (i) the allegations made in the proceedings were groundless and (ii) NTV was granted adequate and timely access to all essential station services (offices, desk, self), enabling the new entrant to be operational and visible to an extent deemed more than adequate.

Upon the market test deadline reaching expiration (23 November 2013), AGCM received feedbacks from NTV, Viaggiatori Italia s.r.l and three consumer associations.

On 23 December 2013, the Group companies expressed their views in writing to the Authorities in respect of the observations made by third parties, including a number of complementary changes to the commitments already submitted.

Legislative Decree No. 231/2001 concerning the administrative liability of legal entities

In April 2013, the Chairman of the Supervisory Board was nominated to replace the resigning chairman. During the year, the Supervisory Board recommended the updating of the Organisational Model, reviewed the investment management process, analysed the reports received and performed assessment tasks on the corporate information security management system.

Disclosure relating to the activities of the Parent Company as per Section 2497(b) of the Italian Civil Code of Procedure.

In the period under review, the Company did not made any decision that was significantly influenced by the parent company, even though sharing information with the key shareholders was the guiding principle underlying company operations.

Significant events after the end of the year

With regard to significant events occurred after the balance sheet date, reference should be made to the accompanying notes - Note No. 44.

Business outlook

According to corporate planning and management strategies, the Grandi Stazioni Group expects EBITDA, EBIT and net result to improve in 2014 compared to 2013 net of non-recurrent costs.

Below are expectations regarding balance sheet and financial situation:

- A decrease in working capital linked to the rise in trade payables associated with the increase in investments;
- An increase in net fixed assets due to new investments, net of the decrease due to the expected disbursement of grants under the "Legge Obiettivo";
- A consistent trend of funds;
- A reduction in the net financial position due to the decrease in the long-term financial position linked to the repayment of the EIB loan and property mortgage loans, as well as the drop in cash and cash equivalents;
- An increase in shareholders' equity due to the rise in reserves.

Proposed allocation of the profit for the year of Grandi Stazioni S.p.A.

Dear Shareholders,

You are hereby requested to approve the separate financial statements of Grandi Stazioni S.p.A for the year ended 31 December 2013 - as submitted to you by the Board of Directors and currently being audited by PricewaterhouseCoopers SpA pursuant to Article 14 of Italian Legislative Decree No. 39 dated 2010 - which show a EUR 8,293,816 net profit.

Please be informed that the legal reserve has reached the limit established by Section 2430 of the Italian Civil Code of Procedure and we therefore leave the decision on the allocation of the profit for the year to the shareholders' meeting.

May we remind you that following the approval of the 2012 financial statements the term of office of the Board of Statutory Auditors expired, while following the approval of the 2013 financial statements the term of office of the independent auditors will expire.

You are therefore kindly requested to issue a resolution on this matter.

On behalf of the Board of Directors

The Chairman

Mauro Moretti

Consolidated financial statements of the Grandi Stazioni Group as at 31 December 2013

Consolidated financial statements

Consolidated balance sheet

(In €'000s)	Notes	31.12.2013	31.12.2012
Assets			
Property, plant and equipment	*(6)*	261,623	262,429
Investment Property	*(7)*	48,714	44,545
Intangible assets	*(8)*	1,337	981
Prepaid tax assets	*(9)*	7,938	8,973
Non-current trade receivables	*(10)*	4,911	5,948
Other non-current assets	*(11)*	37,436	40,146
Total non-current assets		**361,959**	**363,022**
Construction contracts	*(12)*	8,530	12,230
Current trade receivables	*(10)*	79,118	82,807
Current financial assets (including derivatives)	*(13)*	13,785	4,836
Cash & cash equivalents	*(14)*	22,235	29,643
Tax receivables	*(15)*	559	778
Other current assets	*(11)*	2,109	2,835
Assets held for sale	*(16)*	-	7,266
Total current assets		**126,336**	**140,395**
Total assets		**488,295**	**503,417**
Shareholders' equity			
Group shareholders' equity	*(17)*	**145,219**	**149,655**
Share capital	*(17)*	4,304	4,304
Reserves	*(17)*	122,346	116,564
Profit (loss) carried forward	*(17)*	9,516	8,990
Profit (loss) for the year	*(17)*	9,053	19,797
Shareholders' equity pertaining to minority interests	*(17)*	**6,439**	**5,808**
Profit(loss) pertaining to minority interests	*(17)*	*899*	711
Minority interests in capital and reserves	*(17)*	*5,540*	5,097
Liabilities			
Medium/long-term loans	*(18)*	160,855	180,399
Employee leaving indemnity and other staff benefits	*(19)*	1,924	2,190
Provisions for risks and charges	*(20)*	6,406	8,420
Deferred tax liabilities	*(9)*	4,826	6,859
Non-current financial liabilities (including derivatives)	*(21)*	7,122	10,588
Other non-current liabilities	*(22)*	4,775	5,858
Total non-current liabilities		**185,908**	**214,314**
Short-term loans and current portions of medium/long-term loans	*(18)*	42,431	17,518
Current trade payables	*(23)*	97,616	107,603
Tax payables	*(24)*	80	125
Current financial liabilities (including derivatives)	*(21)*	32	56
Other current liabilities	*(22)*	10,569	8,338
Total current liabilities		**150,728**	**133,640**
Total liabilities		**336,636**	**347,954**
Total liabilities and shareholders' equity		**488,295**	**503,417**

Consolidated income statement

(In €'000s)	Notes	2013	2012
Revenues and income			
Revenues from sales and services	*(25)*	201,839	196,378
Other income	*(26)*	3,935	3,375
Total revenues		**205,774**	**199,753**
Operating costs		**(160,737)**	**(151,212)**
Payroll and related costs	*(27)*	(18,542)	(17,615)
Raw, ancillary and consumable materials and goods for resale	*(28)*	(147)	(172)
Costs for services	*(29)*	(89,233)	(87,644)
Costs for the use of third party assets	*(30)*	(40,048)	(39,200)
Other operating costs	*(31)*	(15,737)	(10,003)
Costs for in-house work capitalised	*(32)*	2,970	3,422
Amortisation and depreciation	*(33)*	(16,705)	(11,045)
Writedowns and impairment losses (writebacks)	*(34)*	(6,918)	(1,261)
Provisions for risks and charges	*(35)*	-	
Operating income (EBIT)		**21,415**	**36,235**
Financial income and expense			
Financial income	*(36)*	1,902	351
Financial expense	*(37)*	(5,030)	(6,145)
Pre-tax result		**18,253**	**30,441**
Income taxes	*(38)*	8,301	(9,933)
Net result for the year (Group and Minority Interests)		**9,952**	**20,508**
Group net result		*9,053*	*19,797*
Minority interest net result		*899*	*711*

Consolidated statement of comprehensive income

(In €'000s)	Notes	31.12.2013	31.12.2012
Net result for the period	*(17)*	**9,952**	**20,508**
Items that will not be restated subsequently in the profit/(loss) for the period:			
Gains (losses) relating to actuarial benefits	*(17)*	179	(290)
Tax effects of gains (losses) relating to actuarial benefits	*(17)*	(49)	82
Items that will be restated subsequently in the profit/(loss) for the period if certain conditions are met:			
Effective portion of the fair value changes of cash flow hedges	*(17)*	3,361	(4,249)
Tax effect of effective portion of the fair value changes of cash flow hedges	*(17)*	(887)	1,094
Exchange differences from foreign operations	*(17)*	(941)	166
Other components of the statement of comprehensive income for the period, net of the tax effects	*(17)*	**1,663**	**(3,197)**
Statement of comprehensive income for the period		**11,614**	**17,311**
of which pertaining to the Group		**10,983**	**16,824**
of which pertaining to third parties		**631**	**487**

Statement of changes in consolidated shareholders' equity

	Group shareholders' equity											
	Share capital	Legal reserve	Extraordinary reserve	Share premium reserve	Reserve for conversion of foreign currency financial statements	*Reserve for fair value valuation on derivatives - Cash flow hedge*	*Reserve for actuarial gains (losses) for employee benefits*	Retained earnings (accumulated losses)	Result for the period	**Group shareholders' equity**	Shareholders' equity pertaining to minority interests	**Total shareholders' equity**
Balance as at 31 December 2011	**4,304**	**861**	**50,308**	**58,309**	**447**	**(4,409)**	**(142)**	**8,285**	**30,700**	**148,663**	**5,321**	**153,985**
Distribution of dividends									(15,833)	(15,833)		(15,833)
Other changes										-		-
Allocation of the net result for the previous year			14,162					705	(14,867)	0		0
Total profit/loss recognised										-		
of which:										-		
Profit/(loss) recognised directly under equity					70	(2,833)	(210)			(2,973)	(224)	(3,197)
Profit for the period									19,797	19,797	711	20,508
Balance as at 31 December 2012	**4,304**	**861**	**64,470**	**58,309**	**517**	**(7,242)**	**(352)**	**8,990**	**19,797**	**149,655**	**5,808**	**155,463**
Distribution of dividends									(15,417)	(15,417)		(15,417)
Other changes										-		-
Allocation of the net result for the previous year			3,855					526	(4,380)	(0)		(0)
Total profit/loss recognised										-		-
of which:										-		-
Profit/(loss) recognised directly under equity					(507)	2,300	135			1,930	(268)	1,662
Profit for the period									9,053	9,053	899	9,952
Balance as at 31 December 2013	**4,304**	**861**	**68,325**	**58,308**	**11**	**(4,941)**	**(217)**	**9,516**	**9,053**	**145,219**	**6,439**	**151,658**

Consolidated cash flow statement

(EUR)	Notes	2013	2012
Net profit (loss) for the year	(17)	**9,953**	**20,508**
Financial income/expenses	(36) (37)	3,161	5,794
Amortisation and depreciation	(33)	16,705	11,045
Provisions for risks and charges	(19)	2,171	5,156
Writedowns	(19)	6,937	1,261
Provision for employee benefits	(19)	49	367
Change in inventories	(12)	3,700	1,984
Change in trade receivables	(10)	(1,811)	(6,162)
Change in trade payables	(23)	(9,987)	564
Changes in other assets and liabilities	(11) (22)	4,560	9,520
Uses of provisions for risks and charges	(20)	(4,185)	(1,799)
Employee benefits paid	(19)	(32)	(134)
Change in tax assets/liabilities that do not generate cash flows	(15) (24)	(824)	(5,517)
Net inflows (outflows) from operating activities		**30,397**	**42,587**
Investments in tangible fixed assets	(6)	(43,680)	(42,555)
Investments in intangible assets	(7)	(917)	(737)
Investments gross of grants		**(44,597)**	**(43,292)**
Grants - Tangible fixed assets	(6)	24,679	25,190
Grants		**24,679**	**25,190**
Disposals of tangible fixed assets	(6)	6,361	421
Disposals		**6,361**	**421**
Net inflows (outflows) from investing activities		**(13,557)**	**(17,682)**
Disbursement and repayment of medium/long-term loans	(18)	(19,631)	(15,424)
Disbursement and repayment of short-term loans	(18)	25,000	
Financial income/expenses		(3,161)	(5,794)
Dividends paid	(17)	(15,417)	(15,833)
Changes in shareholders' equity	(17)	(2,090)	1,275
Net inflows (outflows) from servicing of finance		**(15,299)**	**(35,776)**
Total net inflows (outflows) for the period	(13) (14)	1,541	(10,870)
Cash and cash equivalents at year start	(13) (14)	34,479	45,349
Cash and cash equivalents at year end (*)	(13) (14)	36,020	34,479

(*) Of which FSI intercompany current account EUR 13,785 million

Accompanying notes to the consolidated financial statements

1 Introduction

These consolidated financial statements of the Grandi Stazioni Group for the period ended 31 December 2013 (hereinafter the "Consolidated Financial Statements") were prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), adopted by the European Union ("EU- IFRS"). It should be noted that Grandi Stazioni SpA (hereinafter also the "Company") made use of the provision under Italian Legislative Decree No. 38 dated 28 February 2005, which governs the exercise of the options under Article 5 of the European Regulation No. 1606/2002 regarding the international accounting standards. In particular, pursuant to Articles 3 and 4 of the aforementioned Legislative Decree, the company has applied the EU-IFRS for the preparation of the consolidated financial statements starting from the year ended 31 December 2009.

2 Group activities and structure of the consolidated financial statements

Grandi Stazioni S.p.A. - the ultimate parent undertaking - is established and domiciled in Italy and organised according to the laws of the Republic of Italy.

The Company's registered offices are in Via G. Giolitti 34 – 00185 Rome.

The consolidated financial statements for the period ended 31 December 2013 include the financial statements of the Parent Company and the Italian and foreign companies (hereinafter - together with Grandi Stazioni S.p.A. - the "Grandi Stazioni Group") over which the former has the right to directly or indirectly exercise control, determining their financial and operational decisions and obtaining the relevant benefits.

The list of shareholdings is included in the section entitled "Scope, criteria and methods of consolidation" (note 4) attached to these accompanying notes.

The Group structure is described in Attachment 1 to these notes.

The approval and publication of these consolidated financial statements of the Grandi Stazioni Group for the period ended as at 31 December 2013, pursuant to IAS 10, was resolved by the Board of Directors of the Parent Company on 15 April 2014.

3 Basis of presentation for the consolidated financial statements

The main standards and accounting principles applied when drawing up the Group's consolidated financial statements are presented as follows.

As mentioned earlier, the consolidated financial statements were prepared in compliance with the EU-IFRS, i.e. all the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously known as the Standing Interpretations Committee (SIC) adopted by the European Union and reflected in the related EU Regulations published up to 15 April 2014, the date on which the Company's Board of Directors approved this document. More specifically, the EU-IFRS were applied consistently to all the periods referred to herein. It should be further noted that these consolidated financial statements were prepared based on the best understanding of the EU-IFRS and with due account being taken of the best knowledge available on this subject; any future guidelines and amendments to the interpretations shall be reflected in subsequent periods, as provided for by the reference accounting standards from time to time.

The consolidated financial statements were prepared and are presented in Euro, which is the Company's reporting currency and therefore the currency used in the countries in which the company mainly operates; all the amounts included in the tables within the notes that follow are expressed in thousands of Euro (€'000s), unless otherwise stated.

The statements used and the related statement criteria adopted by the Company, from among the options provided by IAS 1 "Presentation of financial statements", are indicated below:

- The balance sheet was prepared by stating the assets and liabilities on a "current/non-current" basis;
- The income statement was prepared by stating the operating costs according to their nature;
- In addition to the operating result shown in the consolidated income statement, the consolidated comprehensive income statement includes other changes in consolidated shareholders' equity, with special reference to actuarial gains and losses on employee benefits, changes in fair value of hedging financial instruments and gains and losses from translation of financial statements of foreign companies. Moreover, following the amendment to IAS 1 - Presentation of financial statements - the company states separately all items reflected under Other comprehensive income/(losses) depending on whether they can be subsequently restated under the income statement.
- The cash flow statement was prepared by showing the cash flows from operations according to the "indirect method".

These consolidated financial statements were prepared with a view to the Company as a going concern, since the directors did not identify any financial, operational or other indicators that might affect the Company's ability to fulfil its obligations in the immediate future and in particular over the next 12 months. The procedures the Company uses to manage financial risks are explained in note 5 – Management of financial and operating risks.

The consolidated financial statements were prepared according to historical cost, except for the valuation of financial assets and liabilities for which application of the fair value approach is mandatory.

4 Accounting standards adopted

The main accounting standards and policies used for the preparation of the consolidated financial statements are presented below.

a) Scope of consolidation: subsidiaries

In addition to the ultimate parent undertaking, the consolidated financial statements include the companies over which the latter directly or indirectly exercises control (through its subsidiaries) starting from the date on which such control was acquired and until such control ceased to exist. In particular, control can be exercised both via direct or indirect ownership of the majority shares with voting rights or due to the exercise of dominant influence expressed by the power to determine, including indirectly through contractual or legal agreements, the entity's financial and management decisions, thereby obtaining the related benefits, regardless of any shareholding relationship. The existence of potential voting rights exercisable as at the reporting date was considered in order to determine whether control existed or not.

The subsidiaries were consolidated using the line-by-line method, as indicated below:

- the assets and liabilities, costs and revenues of the consolidated companies are consolidated line-by-line, assigning the minority shareholders, where applicable, the portion of the shareholders' equity and net profit for the period pertaining to them; these portions are stated separately within the consolidated shareholders' equity and the consolidated income statement;
- Business combinations, concluded between companies not subject to mutual control, by means of which control over an entity is acquired, are recognised using the purchase method. The acquisition cost is represented by the fair value as at the date of purchase of the assets transferred, liabilities undertaken and equities issued. The identifiable assets and liabilities, respectively acquired and undertaken, are recognised at fair value as at the acquisition date. The difference between the acquisition cost and the current or fair value of the identifiable assets and liabilities acquired, if positive, is recognised among intangible assets as goodwill or, if negative, after having verified the correct measurement of the fair values of the aforementioned acquired assets and liabilities and the cost of acquisitions, is recognised directly in the income statement, as income. If the fair values of the identifiable assets and liabilities acquired can only be calculated on a provisional basis, the business combination is recognised using these provisional values. Any adjustments deriving from the completion of the valuation process are recognised within twelve months as from the date of acquisition, recalculating the comparative figures;
- Gains and losses, including the related tax effects, deriving from transactions that take place between companies consolidated on a line-by-line basis and which have not been realised vis-à-vis third parties are written off, except for unrealised losses which have not been derecognised, if the transaction indicates that there has been impairment of the transferred asset. Furthermore, mutual debit and credit transactions, costs and revenues, as well as financial income and expenses are eliminated;
- With regard to acquisitions of minority shareholdings relating to companies for which control already exists, any difference between the acquisition cost and the related portion of shareholders' equity acquired is recognised under shareholders' equity.

The financial statements of the consolidated subsidiaries were drawn up with reference to the accounting periods ended as at 31 December, the reporting date of the consolidated financial statements, and were specifically prepared and approved by the management bodies of the individual entities and appropriately adjusted, where necessary, to align them with the accounting standards applied by the Group.

The list of subsidiaries including information regarding their registered offices and the percentages held, is provided in Attachment 1.

b) Conversion of foreign company financial statements

The financial statements of the foreign subsidiary were prepared using the currency of the primary economic area in which the company operates (operating currency). Below are the rules for the conversion of the financial statements of the company expressed in an operating currency other than the Euro:

- Assets and liabilities are converted using the exchange rates in force as at the balance sheet reference date;
- Goodwill and adjustments deriving from the fair value relating to the acquisition of a foreign company are treated as assets and liabilities of the foreign company and converted using the closing exchange rate for the period;
- Costs and revenues are converted using the average exchange rate for the period;
- The "translation reserve," included among consolidated shareholders' equity items, reflects both the exchange differences generated from the conversion of income statement balances at a rate other than that at the closing date as well as those generated by the translation of opening shareholders' equity at a rate other than the closing rate for the reporting period. This reserve is transferred to the income statement when the related equity investment is sold.

The exchange rates adopted for the conversion of the financial statements of companies with an operating currency other than the Euro are shown in the table below:

	Average exchange rate for the period ended 31 Dec.		Exchange rate at 31 Dec.	
	2013	2012	2013	2012
CZK	25,974	25,144	27,397	25,151

c) Translation of foreign currency items

Transactions in currencies other than the reporting currency are recognised at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the Euro are subsequently adjusted using the exchange rate at the balance sheet date. Non-monetary assets and liabilities in foreign currency other than the Euro are carried at historic cost using the exchange rate prevailing on the date of initial recognition of the transaction. Any exchange rate differences are recognised in the income statement.

d) Accounting standards

The following criteria are adopted by the Group for definition of the scope of consolidation and subsidiaries as well as the related consolidation criteria.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost net of accumulated depreciation and any impairment losses. The purchase or production cost includes all charges incurred directly in preparing the assets for use and any other charges for disposal and removal that may be incurred as a consequence of contractual obligations requiring the assets to be returned to their original condition. Financial charges that are directly attributable to the purchase, construction or production of the eligible assets are capitalised or amortised based on the useful life of the asset they refer to. Improvement, modernisation and transformation costs which increase the value of the assets, are booked to the balance sheet assets concerned.

Costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are recognised directly in the income statement when incurred. Capitalisation of costs pertaining to the expansion, updating or improvement of the structural elements that are owned or used by third parties is carried out exclusively to the extent that they fulfil the requirements to be separately stated as assets or parts of an asset, applying the component approach criteria, which lays down that the useful life of each element and its relative value must be assessed independently.

Depreciation is booked monthly on a straight line basis at rates that allow the assets to be depreciated until their useful life has come to an end. If the asset being depreciated is composed of elements that are distinctly identifiable, whose useful life differs significantly from that of other parts comprising the asset, the depreciation is carried out separately for each of these parts, in accordance with the component approach method.

The depreciation rates used are as follows:

	Rate
Civil works	3%
Plant and machinery	5%-33%
Industrial and commercial equipment	20%
Other assets:	
- *Furniture and furnishings*	12%
- *Electronic equipment*	20%
- *Office equipment*	40%
- *Motor vehicles*	25%

The "plant and machinery" item comprises the advertising system installations whose service life cycle as at 31 December 2013 was defined as follows:

Type	Service life cycle (years)
Traditional plant	6.7
Monitors	3.2
Control room	0.4
Electrical plant	15.00

The service life of tangible assets and their residual value are reviewed and adjusted, if appropriate, at least at the end of each financial year. Land is not depreciated. The service life did not undergo any adjustment during the period.

Assets under finance leases

Tangible assets held through financial leases which essentially transfer to the Group the risks and benefits of ownership, are recognised as assets of the Group at their current value on the date the contract was concluded or, if lower, at the current value of the minimum payments due for the lease including any amounts payable for exercising the purchase option. The corresponding liability towards the lessor is recorded in the balance sheet under financial payables. Assets are depreciated applying the previously indicated approach and rates, unless the duration of the lease is shorter than the useful life represented by those rates and there is no reasonable certainty that the ownership of the leased asset will be transferred upon expiry of the contract; in this case, the depreciation period is equal to the duration of the lease.

Leases in which the lessor essentially maintains all the risks and benefits of ownership are held as operating leases. The operating lease costs are recognised over the duration of the lease in the income statement.

Investment Property

Property investments are the real estate properties owned in order to obtain the rental income and/or obtain an increase in the capital invested and are not intended for sale in the ordinary discharge of business operations. Furthermore, property investments are not used in the production or the supply of goods or services or in the management of the company. The accounting standards used for the accounting of this item comply with the criteria described above under "Property plant and equipment."

Buildings are depreciated at a rate of 3% while plant is depreciated at a rate of 15%.

Intangible assets

Intangible assets consist of non-monetary elements, identifiable and without physical consistency, controlled by the company and capable of producing future economic benefits. Identifiability is defined with reference to the possibility of distinguishing the intangible assets acquired compared to goodwill. This requirement is usually met when: (i) the intangible asset is attributable to a legal or contractual right, or (ii) the asset is separable, i.e. can be sold, transferred, leased or exchanged independently or as an integral part of other assets. Control by the company involves the power to use the future economic benefits deriving from the asset and the possibility of limiting access to the same by others.

Intangible assets are recorded at cost, determined according to the same methods indicated for Property, plant and equipment, only when said cost can be reliably measured.

The Grandi Stazioni Group holds the following types of intangible assets, whose amortisation rates have been analysed as follows:

	Rate
Software	33%

After initial recognition, the cost or fair value of intangible assets with a defined service life is adjusted by the related accumulated amortisation and any impairment losses, determined as described below. The amortisation begins when the intangible asset is available for use and is distributed systematically in relation to the residual possibility of its use and therefore based on its estimated service life.

Service life is reviewed on an annual basis and any changes, if deemed necessary, are made using the method of forecast application.

The gains and losses deriving from the disposal of an intangible fixed asset are determined as the difference between the disposal value, net of sales costs, and the book value of the asset; they are recorded in the income statement at the time of disposal.

Impairment tangible and intangible assets

i) Assets (tangible and intangible) with a definite service life

On each balance sheet date, a test is carried out to check whether there is any indication that the tangible and intangible assets have suffered impairment. To this end both external and internal sources of information are taken under consideration. With regard to the internal sources, the following are taken into account: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset or the economic performance of the asset compared to expectations. The following external sources are considered: the trend in the market price of the assets, any discontinuities in terms of technology, the market or regulations, the market interest rates and the cost of capital used to assess the investments

In the event that such indicators are identified, steps are taken to estimate the recoverable value of the aforementioned assets, booking any writedowns compared to the book value stated in the income statement. The recoverable value of an asset is represented by the fair value, net of the accessory sales costs or its value in use, whichever is the lower, the latter being the current value of the future cash flows estimated for this asset. Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market assessment of the cost of money, placed in relation to the investment period, and the specific risks of the asset. The recoverable amount of assets that do not generate independent cash flows is determined based on the cash- generating unit to which the asset belongs.

An impairment loss is recognised in the income statement if an asset's book value or that of the cash-generating unit to which it is allocated is higher than its recoverable amount. Impairment losses of cash generating units are first booked against the book value of any goodwill attributable to the same and then against the other assets, in proportion to their book value and within the limits of the related recoverable value. If the reasons for the writedown cease to exist, the book value of the asset is restored and recognised in the income statement, up to the net book value the asset in question would have had if the writedown had not occurred and the related amortisation/depreciation had been carried out.

ii) Intangible assets which are not yet available for use

The recoverable value of intangible assets which are not yet available for use is subject to annual or more frequent impairment testing, if there is an indication that these assets may have become impaired

Financial instruments

Financial assets and trade receivables

Financial assets are initially recognised at fair value and held under receivables and loans, assets held for sale or financial assets held at fair value with matching balance in the income statement, depending on the relative nature and the reason for which they were purchased.

Financial assets are accounted for on the purchase/sale transaction date and are removed from the balance sheet when the right to receive the relative cash flows no longer exists and the Group has essentially transferred all risks and benefits related to the financial instrument and the related control.

Receivables and loans

Receivables and loans are financial instruments which are not derivatives and which are not listed on an active market from which fixed or determinable payments are expected. More specifically, the following consolidated balance sheet items are stated in this category: "Non-current financial assets (including derivatives)," "Current financial assets (including derivatives) and "Current trade receivables".

Receivables and loans initially are accounted for at fair value and subsequently are assessed using the amortised cost method based on the effective interest rate approach, net of the writedown allowance. Receivables and loans are included under current assets, except for those with contractual maturity dates longer than twelve months with respect to the balance sheet date, which are classified as non-current assets.

Losses on receivables and loans are accounted for in the balance sheet if there is objective evidence that the Group will not be able to recover the receivable from the counterparty based on contractual terms Objective evidence includes events such as:

- Significant financial difficulty of the issuer or debtor;
- Ongoing legal disputes with the debtor in relation to the receivables;
- likelihood that the debtor will declare bankruptcy or that other financial restructuring procedures will ensue.

The amount of the writedown is measured as the difference between the book value of the asset and the current value of expected future cash flows and recognised in the income statement under "Writedowns/writebacks on receivables". Receivables and loans which cannot be recovered are shown in the consolidated balance sheet net of the writedown allowance. If, in subsequent periods, the reasons for the aforementioned writedowns cease to apply, the value of the asset is restored up to the value that would have derived from the application of the amortised cost method.

Cash & cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available and other forms of short-term investment, with maturity at origin of three months or less. On the balance sheet date, current account overdrafts were stated among financial payables under current liabilities in the consolidated balance sheet. The elements included in net cash are measured at fair value and the related changes are recognised in the income statement.

Loans

Loans are accounted for initially at fair value net of directly attributable ancillary costs and subsequently measured using the amortised cost method based on the effective interest rate approach. Whenever there is a change in the estimate of the cash flows expected, the value of the liabilities is recalculated in order to reflect this change based on the current value of the new cash flows expected and the internal rate of return that had initially been determined. Loans are classified among current liabilities, except those which have a contractual maturity date beyond 12 months with respect to the balance sheet date and those for which the Group has an unconditional right to defer payment for at least 12 months after the reference date. The loans are removed from the balance sheet when they are settled and when the Group has transferred all risks and expenses relating to the instrument itself.

The purchases and sales of loans are accounted for on the transaction negotiation date and removed from the balance sheet when they are extinguished or when the Group has transferred all risks and expenses relating to the instrument itself.

Derivative financial instruments

The derivative financial instruments used by the Group aim to hedge the exposure to exchange and interest rate risk and obtain a diversification of the debt parameters which thereby permits a reduction in the cost and the volatility. On the date of entering into the contract, the derivative instruments are initially accounted for at fair value and if the derivative instruments are not accounted for as hedges, any subsequent changes in the fair value are recognised as income statement components.

Hedging derivative financial instruments are recognised as per the formalities established for hedge accounting only if:

- At the start of the hedge, a formal designation exists and the hedge is documented;
- The hedge is expected to be highly effective;
- Effectiveness can be reliably measured;
- The hedge itself is highly effective during the various accounting periods for which it has been designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedges

When a derivative financial instrument is designated as hedging the exposure to a change in the fair value of an asset or liability attributable to a specific risk, the gain or loss deriving from subsequent fair value changes in the hedging instrument are recognised in the income statement. The profit or the loss, deriving from the adjustment to fair value of the hedged item, for the portion attributable to the hedged risk, change the book value of this item and are recognised in the income statement.

Cash flow hedges

When a derivative financial instrument is designated as hedging the exposure to changes in the future cash flows of an asset or liability recorded in the balance sheet or a transaction deemed highly probable, the effective portion of the gains or losses from adjustment to fair value of the derivative instrument is recognised in a specific equity reserve. The cumulative profit or loss is reversed from the shareholders' equity reserve and recognised in the income statement in the same periods in which the effects of the hedging transaction are recognised in the income statement. The profit or loss associated with that portion of the ineffective hedge is recognised in the income statement directly. If the transaction hedged is no longer considered as likely, then the unrealised profits and losses accounted for under shareholders' equity will be immediately recognised in the income statement.

Derivative financial instruments are accounted for on the transaction date.

Fair value estimates

The fair value of financial instruments listed on an active market is based on the market prices on the balance sheet date. *The fair value of financial instruments which are not listed on an active market on the other hand is determined through the use of valuation techniques based on a series of methods and assumptions linked to market conditions on the balance sheet date.*

Given the short term nature of trade receivables and payables, it is believed that the book values represent a good approximation of fair value.

Construction contracts

Construction contracts (hereinafter also "contracts") are recognised at the value of the contractual amounts agreed, reasonably accrued, using the method of the percentage completion and taking into account the progress achieved and the contractual risks expected. The progress of the work is measured in relation to the costs of the contract incurred up to the balance sheet date as a percentage of all estimated costs for every single job order.

When the results of a contract cannot be reliably estimated, the revenue from the job is recognised only to the extent that the costs incurred can reasonably be expected to be recovered. When the result of a contract cannot be reliably estimated and it is probable that the contract will generate a profit, the revenue from the contract is recognised for the entire duration of the contract itself. When it is probable that the total contract costs will exceed the total revenues of the contract, the potential loss is recognised in the income statement directly.

The Group presents as assets the gross amount due from customers for contracts relating to work under way for which the costs incurred plus the margins (minus the losses that have been recognised) exceed the invoicing for the work completed so far. The Group states as liabilities the gross amount due to customers for all work underway for which the amounts invoiced for the progress made exceed the costs incurred, including the margins (less the losses that have been recognised).

Employee benefits

Short-term benefits are salaries, wages, the related social security charges, compensation in lieu of holidays and incentives provided in the form of a bonus payable within the 12 months from the balance sheet date. These benefits are accounted for as components of payroll and related costs in the period in which the work services are provided.

Employee leaving indemnity and other staff benefits

The Group companies have defined-contribution as well as defined-benefit plans in place. The defined-contribution plans are managed by third parties/ asset managers in relation to which there are no legal obligations or other obligations to pay further contributions should the fund not have enough assets to cover the obligations assumed towards the employees. For the defined-contribution plans, the Group pays contributions voluntarily or those which are established by contract, into insurance pension funds, both public and private. The contributions are recognised as payroll and related costs on an accruals basis. The contributions paid in advance are recognised as assets that will be reimbursed or offset against future payments, should these be due.

A defined-benefit plan is a plan which cannot be stated as a defined-contribution plan. In defined-benefit plans the amount of the benefit payable to the employee can be calculated only after the work relationship has been terminated and is connected to one or more elements such as age, years of service and remuneration. *The obligations for defined-benefit plans are therefore determined by an independent actuary using the projected unit credit method. The current value of the defined-benefit plan is determined by discounting the future cash flows at an interest rate equal to that of bonds (high quality corporate) issued in the currency in which the liability shall be settled and which takes into account the duration of the related pension plan. The gains and losses from the actuarial calculation are entirely allocated to shareholders' equity during the year of reference, with account taken of the related deferred tax effect.*

In particular, it should be noted that the Group operates a defined-benefit plan consisting of employee leaving indemnities ("TFR", Trattamento di Fine Rapporto). The TFR is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, provides deferred remuneration and is related to the duration of the employees' working lives and the remuneration received over the period of service they provide. As from 1 January 2007, Italian Law No. 296 dated 27 December 2006 "Finance Law 2007" and subsequent Decrees and Regulations, introduced significant amendments to the TFR, including providing employees with the option to pay into their own TFR into which all supplementary social security funds are placed or into the "Treasury Fund" managed by the INPS. It ensues therefore that the obligation vis-à-vis INPS and the contributions to supplementary pension funds have assumed, pursuant to IAS 19 Employee Benefits, the nature of defined-contribution plans, while the funds placed in the TFR fund as that 1 January 2007 maintain the essential qualities of defined-benefit plans.

Provisions for risks and charges

Provisions for risks and charges are provided for specific known or likely losses or liabilities, the timing and extent of which is unknown at year end. This entry is made only when there is a current obligation (legal or implicit) for the future outflow of financial resources as a result of past events and it is probable that this outflow will be requested for the discharge of the obligation. This amount represents the best estimate of the liability involved in settling this obligation. The rate used in determining the current value of the liability reflects the current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is significant and the payment dates of the obligations are reliably estimated, the provisions are measured at the current value of the expected outlay using a rate that reflects market terms and conditions, the changes in the cost of money over time and the specific risk connected to the obligation. The increase in the value of the provision which is the result of changes in the cost of money over time is accounted for as interest payable.

Risks for which the related liability is merely contingent are disclosed in the notes to the financial statements (in the section on contingent liabilities) and no provision is made for such risks

Revenues

The revenues are recognised to the extent that it is probable that the Company will receive the economic benefits and their amounts can be reliably determined, taking into account also any rebates or discounts.

The revenues for the rendering of services are recognised in the income statement with reference to the stage of completion of the service and only when the outcome of the transaction involving the rendering of services can be reliably estimated.

Revenues from work-in-progress are recognised on the basis of the stage of completion method.

Interest income is recognised in the income statement based on the actual rate of return.

Government grants

Government grants for which there is an official resolution and, in any case, when the right to receive them is considered definite since reasonable certainty exists that the Company will comply with the terms and conditions required for receiving the grants and that the grants will be collected, are recognised on an accruals basis directly in relation to the costs incurred.

i) Equipment grants

Government equipment grants refer to the amounts granted by the State or public entities to the Company for realisation of initiatives directly involving the construction, reactivation or expansion of buildings, plants and machinery. Capital grants are charged against the assets they refer to and reduce the calculation of the amortisation rate.

ii) Operating grants

Operating grants refer to amounts granted by the State or other public entities to the Group and are charged against the costs and expenses incurred. Operating grants are booked to the item "Revenues from sales and services", as a positive component of the income statement.

Cost recognition

The costs are recognised when they relate to goods and services sold or consumed during the year or by systematic allocation.

Income taxes

The current taxes are determined on the basis of an estimate of the taxable income and in compliance with the current tax laws applicable to the Group companies.

Prepaid and deferred taxes are calculated in relation to all the differences that emerge between the taxable base of an asset or liability and the related book value, except for goodwill and the differences arising from equity investments in subsidiaries, when the time they can be reallocated is under the control of the company and it is probable that they will not be reversed over a time period that can be reasonably foreseen. With regard to the portion that is not offset by deferred taxes, prepaid taxes are recognised to the extent that it is probable that future taxable income will be available against which the same can be recovered. Prepaid and deferred taxes are determined using the tax rates which are expected to be applicable in the years in which the timing differences will be realised or settled.

Current taxes, prepaid and deferred taxes are recognised in the income statement except for those relating to items recognised among other components of the statement of comprehensive income or which are directly charged against or credited to shareholders' equity. In these latter cases, the deferred taxes are recognised under the item "Tax effect" relating to other components of the statement of comprehensive income and directly under shareholders' equity. Prepaid and deferred taxes are offset when the same are applied by the same tax authority, a legal right to compensation exists and settlement of the net balance is expected.

Other taxes not connected with income, such as indirect and other dues, are included under "Other operating costs" in the income statement.

It should be stressed that during 2013 (for the three year period from 2013 to 2015) ultimate parent company Grandi Stazioni S.p.A. and subsidiary Grandi Stazioni Ingegneria S.r.l. participated in the national income tax consolidation scheme, arranged by parent company Ferrovie dello Stato Italiane S.p.A., pursuant to Article 117 of the Consolidated Income Tax Act (T.U.I.R)

The tax consolidation agreement requires that in respect of taxable income generated and transferred to Ferrovie dello Stato Italiane S.p.A., subsidiaries are required to transfer to the latter "tax adjustments" net of the credits transferred within the time period established by law for payment of the balance and the advances relating to the income transferred. Any offsetting carried out by Ferrovie dello Stato Italiane SpA as part of the taxation of the FS Group shall not be applicable for identifying the extent and the deadlines of the payment.

In the event of the transfer of a tax loss, Ferrovie dello Stato Italiane S.p.A. must pay the subsidiaries compensation equal to the loss that they themselves would have used independently in the absence of the taxation of the FS Group.

IRAP (regional business tax) is settled independently by each company participating in the aforementioned tax consolidation scheme.

Assets and liabilities held for sale

Non-current assets whose book value will mainly be recovered through a sale rather than through ongoing use, are stated as held for sale and represented separately from the other balance sheet assets and liabilities. The corresponding balance sheet figures relating to the previous period are not restated.

Non-current assets stated as held for sale are initially recognised according to the IFRS that is applicable to each asset and liability and subsequently at the lower of the book value or fair value, net of sale costs. Any subsequent impairment losses are recognised directly against any non-current assets stated as held for sale, with a matching balance in the income statement.

By contrast, a writeback is recognised in respect of each subsequent increase in the fair value of an asset net of sale costs, but only up to the cumulative impairment loss previously recognised.

Recently issued accounting standards

Accounting standards endorsed by the European Union which are not relevant to the Group

The EU legislator adopted certain accounting standards and interpretations which are mandatory starting from 1 January 2013 and which govern cases which do not apply to the Group as at the date of this annual financial report, but which could have accounting effects on future transactions and agreements.

IFRS 13 – Fair value measurement

On 12 May 2011, the IASB issued IFRS 13 – Fair Value Measurement, which illustrates how the fair value must be determined for financial statement purposes, and is applicable to all the cases where the standards require or permit measurement of fair value or the presentation of information based on fair value, with a number of limited exclusions. The standard also requires a more extensive disclosure on the measurement of the fair value (hierarchy of the fair value) than as currently required under IFRS 7.

The Group adopted the new standard effective 1 January 2013.

IAS 19 - Employee benefits

On 16 June 2011, the IASB issued an amendment to IAS 19 –Employee Benefits which eliminates an option to defer the recognition of actuarial gains and losses using the so called corridor method, requesting that all the actuarial profits and losses be recorded immediately in the comprehensive income statement, so that the entire net amount of the provision for defined benefits (net of the assets serving the plan) is reflected in the consolidated balance sheet. The amendment also required that the changes between one year and the next in the provision for defined benefits and the assets serving the plan must be divided up into three components: the components of the cost linked to the work services in the year must be recorded in the income statement as "service costs"; the net financial charges calculated applying the appropriate discount rate to the net balance of the provision for defined benefits net of the assets emerging at the start of the year must be recorded in the income statement as such; the actuarial gains and losses which derive from the re-measurement of the liabilities and assets must be reflected in the comprehensive income statement. Furthermore, the yield of the assets included among net financial expenses as indicated above must be calculated based on the discount rate of the liability and no longer on the basis of the expected yield from the assets. Finally, the amendment introduced new additional information to be provided in the accompanying notes.

The Group had not adopted the so called corridor method in the past.

IAS 1 – Presentation of financial statements

On 16 June 2011, the IASB issued an amendment to IAS 1 – Presentation of financial statements that requires companies to group together all the items shown in the Statement of "Other comprehensive income/(losses)" depending on whether they can be restated subsequently in the income statement.

The Group adopted the above amendment effective 1 January 2013.

IFRS 7 – Financial instruments: disclosures

On 16 December 2011, the IASB issued several amendments to IFRS 7 – Financial instruments: disclosures. These amendments require information about the real and potential effects of financial asset and liability compensation on a company's financial position.

The Group adopted the above amendments effective 1 January 2013.

Annual improvements to IFRSs: 2009-2011 Cycle

On 17 May 2012, the IASB published the document Annual Improvements to IFRSs: 2009-2011 Cycle, which acknowledges the amendments to the standards as part of their annual improvement process, focusing on amendments deemed as necessary but not urgent. Reference is made below to those that involve a change in the presentation, recognition and measurement of the financial statement items, leaving out those involving only terminology or editorial changes with minimum effects from an accounting perspective, or those that affect standards or interpretations not applicable to the Group:

•IAS 1 Presentation of financial statements – Comparative information: it made it clear that in the event additional comparative information is provided, it must be presented in accordance with the IAS/IFRS. If an entity voluntarily provides additional information, such information may be collected even in just one of the mandatory accounting statements, in respect of which the relevant notes need then to be supplied. It also clarified that in the event an entity changes an accounting standard or makes a retrospective adjustment/restatement, the same entity will have to present a balance sheet also at the beginning of the comparative period ("third balance sheet" in the financial statement formats), while no comparative disclosure is requested in the notes for this "third balance sheet" other than the items concerned.

•IAS 16 Property, plant and equipment – Classification of servicing equipment: it is clarified that the servicing equipment must be classified under item Property, plant and equipment if used for more than one accounting period, otherwise under inventories.

•IAS 32 Financial instruments: presentation - Direct taxes: it is clarified that direct taxes on distributions to equity holders and on transaction costs on equities follow the rules of IAS 12.

•IAS 34 Interim financial reporting – Information about operating segments: clarification is provided with respect to disclosures to be reflected in interim accounts concerning assets and liabilities pertaining to the operating segments.

The Group adopted the above changes effective 1 January 2013.

Accounting standards endorsed by the European Union which have not been applied in advance by the Group

IFRS 10 - Consolidated financial statements

On 12 May 2011, the IASB issued IFRS 10- Consolidated Financial Statements, which replaces interpretation SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and separate financial statements, which shall be renamed Separate financial statement and will address the accounting treatment of equity investments in the separate financial statements. The new standard identifies a single control model to be applied to all companies. The main innovations include:

•According to IFRS 10, there is just one basic standard for consolidating all the types of entities, and this standard is based on control. This amendment removes the inconsistency perceived between the previous IAS 27 (based on control) and SIC 12 (based on the transfer of the risks and benefits);

•A more reliable definition of control was introduced compared to the past based on three elements: (a) power over the company acquired; (b) exposure, or rights, to variable returns deriving from involvement with the company; (c) ability to use the power to influence the amount of these returns;

•IFRS 10 requires that in order to assess whether it has control over the company acquired, an investor should focus on activities which considerably influence the returns of the company;

•IFRS 10 requires that when establishing the existence of control, only the essential rights are considered, i.e. those which can be exercised in practice when important decisions must be made in relation to the company acquired;

•IFRS 10 requires the adoption of practical guides that help assess whether control exists in complex situations, such as de facto control, potential voting rights, situations where it is necessary to establish whether those who have decision-making powers are acting as agent or principal, etc.

The standard can be applied retrospectively as of 1 January 2014, with earlier application as of 1 January 2013 being possible.

IFRS 12 – Disclosure of interests in other entities

On 12 May 2011, the IASB issued IFRS 12 -Disclosure of interests in other entities, which is a new and complete standard on the additional information to disclose in the consolidated financial statements for each type of equity investment, including in subsidiaries, joint arrangements, associates, special purpose entities and other non-consolidated entities.

The standard can be applied retrospectively as of 1 January 2014, with earlier application as of 1 January 2013 being possible.

IAS 32 – Financial instruments: disclosure and presentation

On 16 December 2011, the IASB issued several amendments to IAS 32 – Financial instruments: presentation, to clarify the application of several criteria for the offsetting of financial assets and liabilities present in IAS 32, making it in fact more difficult. The amendments are applicable retrospectively for periods beginning on or after 1 January 2014, with earlier application as of January 2013 being possible.

IAS 36 – Disclosure of impairment of assets

On 29 May 2013, the IASB issued an amendment to IAS 36 - Disclosure of impairment of assets. The amendment governs disclosures to be made regarding the recoverable amount of impaired assets if such amount is based on fair value net of sale costs.

The amendment is applicable to the periods starting on 1 January 2014.

IAS 39 – Financial Instruments: recognition and measurement

On 27 June 2013, the IASB issued a number of amendments to IAS 39 - Financial instruments: recognition and measurement named "Novation of derivatives and hedge accounting continuity". The changes will allow hedge accounting to continue if a derivative designated as a hedging instrument is novated following the application of law provisions or regulations for the purpose of replacing the original counterparty, thereby guaranteeing the successful outcome of the obligation undertaken, provided that certain conditions are met.

The same change will be included in IFRS 9 - Financial instruments. These amendments are applicable to financial years starting from 1 January 2014, with earlier application being possible.

Accounting standards not endorsed by the European Union

As of the date of these financial statements, the competent bodies of the European Union had not yet concluded the endorsement process necessary for the adoption of the amendments and standards described below.

IFRS 9 – Financial instruments

On 12 November 2009, the IASB published IFRS 9 - Financial instruments, which represents the first part of a phased process aimed at entirely replacing IAS 39 while introducing new standards for the classification and valuation of financial assets and liabilities. More specifically, with regard to financial assets the new standard uses a single approach based on the methods for handling financial instruments and on the characteristics of the contractual cash flows of said financial assets for the purpose of establishing the accounting criteria, replacing the various rules laid down so far by IAS 39. By contrast, with regard to financial liabilities the main change concerns the accounting treatment of the fair value changes of a financial liability designated as a financial liability at fair value through profit and loss, in the event that these are due to a change in the credit worthiness of said liability. According to the new standard, these changes must be recorded in the Statement of Other comprehensive income and losses and no longer in the income statement. It should be noted that the endorsement of this standard is currently suspended.

IFRIC 21 – Levies

On 20 May 2013, the IASB issued the interpretation of IFRIC 21 - Levies, which represents an interpretation of IAS 37 - Provisions, contingent liabilities and contingent assets. IFRIC 21 clarifies when an entity must recognise a liability for the payment of taxes levied by the government, except for those already governed under other principles (e.g. IAS 12 - Income taxes).

One of the IAS 37 requirements in order that a liability may be reflected is the existence of a current obligation for the company as a result of a past event (binding factor). The interpretation clarifies that the binding factor triggering a liability for the payment of a levy lies in the relevant legislation that gives rise to the payment itself.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.

IAS 19 - Employee benefits

On 21 November 2013, the IASB issued a number of amendments to IASB 19 - Employee Benefits, named "Defined benefit plans: employees' contributions" for the purpose of simplifying the accounting for contributions that are independent of the number of years of service seniority, such as those that are calculated based on a fixed percentage of salary. The amendments being referred to are effective 1 July 2014, with earlier application being possible.

Annual Improvements to IFRSs: 2010-2012 Cycle

On 12 December 2013, the IASB published the document called Annual Improvements to IFRSs: 2010-2012 Cycle, implementing the changes to the standards as part of the process of annual improvements thereto and addressing eight questions dealt with during the 2010-2012 cycle. The standards included in this cycle area: IFRS 2 IFRS 3 IFRS 8 IFRS 8 IFRS 13 IAS 7 IAS 16/38 IAS 24. The changes being referred to are effective 1 July 2014, with earlier application being possible.

Annual Improvements to IFRSs: 2011-2013 Cycle

On 12 December 2013, the IASB published the document called Annual Improvements to IFRSs: 2011-2013 Cycle, implementing the changes to the standards as part of the process of annual improvements thereto and addressing four questions dealt with during the 2011-2013 cycle. The standards included in this cycle area: IFRS 1 IFRS 3 IFRS 13 IAS 40. The changes being referred to are effective 1 July 2014, with earlier application being possible.

Use of estimates and valuations

The preparation of the consolidated financial statements requires that directors apply accounting standards and methods that, in some circumstances, are based on difficult and subjective valuations and estimates according to past experience and assumptions that are from time to time considered reasonable and realistic under the related circumstances. The final results of the financial statements item for which these estimates and assumptions have been used might be different, even significantly, from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based. The estimates and assumptions are periodically reviewed and the effects of any changes are reflected in the income statement, if they only involve that period. If the review involves both the current and future periods, the change is recognised in the period in which the review takes place and in the related future periods.

The final results could differ, also significantly, from these estimates following possible changes in the factors considered in determining these estimates.

Below is a brief description of the main accounting standards requiring directors to be more subjective when processing the estimates and in respect of which a change in the conditions underlying the assumptions being used could have a significant impact on the consolidated financial data:

i) Impairment of assets

Pursuant to the accounting principles applied by the Group, tangible and intangible assets with a definite service life are tested for impairment which is recognised as a writedown if there are indications that the related net book value will be difficult to recover through use. The verification of the existence of these indications requires the directors to make subjective measurements based on information available within the Group and the market, as well as based on past experience. Furthermore, when impairment is considered to have occurred, the Group will determine the extent through the use of appropriate valuation techniques. Correct identification of the elements of impairment and the estimates for determination of the impairment itself depend on factors that may change over time thereby influencing the measurements and estimates made by the directors.

ii) Amortisation and depreciation

Amortisation and depreciation of fixed assets is a significant cost for the Group. The cost of intangible, tangible fixed assets and investment properties is amortised/depreciated on a straight-line basis over the estimated service life of the related assets. The economic service life of the Group's fixed assets is determined by the directors at the time the fixed asset is acquired; it is based on past experience with similar fixed assets, market conditions and expectations regarding future events that could have an impact on the service life. Therefore, the actual economic life could differ from the estimated service life. The Group periodically evaluates technological changes and changes in the sector in order to update the remaining service life. The periodic updating could result in a change in the amortisation/depreciation period and therefore also the amortisation/depreciation rate in future years.

iii) Provisions for risks and charges

Provisions are made for legal and tax risks to cover the event of a negative outcome. The value of the provisions relating to these risks represents the best estimate made by the directors on that date. The estimate involves the use of assumptions that depend on factors that could change over time and could therefore have significant effects compared to the current estimates made by the directors for the preparation of the Group's consolidated financial statements.

iv) Taxes

The recognition of deferred tax assets is carried out on the basis of expectations regarding income in future years. The valuation of the income expected for the purposes of recognition of the deferred taxes depends on factors that could vary over time and significantly affect the measurement of the deferred tax assets.

v) Fair value of derivative financial instruments

Fair value is the price receivable for the sale of an asset or the price payable for the assignment of a liability as part of an ordinary transaction in the main market (or the more profitable market if no main market exists) at the date of valuation and on under arm's length market terms, regardless of whether such price is directly observable or estimated using another valuation technique. More specifically, consideration should be given to the characteristics of the market participant in respect of the asset or liability in order to establish the price thereof at the date of valuation. The fair value of financial instruments listed on an active market is based on the market prices on the balance sheet date. The fair value of financial instruments which are not listed on an active market on the other hand is determined through the use of valuation techniques based on a series of methods and assumptions linked to market conditions on the balance sheet date.

Below is the fair value classification of financial instruments based on the following hierarchical levels:

Level 1: Fair value determined on the basis of listed prices (non adjusted) on active markets for identical financial instruments the company has access to at the date of evaluation;

Level 2: Fair value determined using valuation techniques referring to variables that can be observed directly or indirectly on the active markets, other than listed prices;

Level 2: Fair value determined using valuation techniques referring to market variables that cannot be observed, with account being taken of the best information then available.

To date, the company uses Level 2 inputs and the company portfolio consists of OTC (Over the Counter) instruments. Fair value valuations pertaining to financial instruments were made based on financial models considered as market standards. More specifically:

- the net present value of future flows for swaps was determined; and
- the market value was calculated using the Black & Scholes model for options (Collar).

The input data used for model valuation consisted of market parameters observable and available on major financial info providers.

vi) Residual value of fixed assets

According to provisions under IAS 40, the amortisable cost of fixed assets is determined by detracting their residual value. The residual value of fixed assets is determined as the estimated value that the entity could receive at the time of its disposal, net of the estimated disposal costs. The Group periodically reviews the residual value and evaluates the decree to which it is recoverable based on the best information then available. The periodic updating could result in a change in the amortisation/depreciation rate in future years.

vii) Operating segments

As at the date of this consolidated financial report, the ultimate parent company did not hold debt securities or shares listed on a regulated market. As a result, further to the option granted under IFRS8, paragraph 2b, the ultimate parent company elected not to supply explanatory notes on the operating segments.

5 Financial risk management

The activities carried out by the Group expose it to various types of risk, which include market risk (interest rate risk, price risk and exchange rate risk), credit risk and liquidity risk.

In this section we provide information regarding the exposure of the Group to each of the risks indicated above, the objectives, policies and management processes applied to such risks and the methods used to assess them, as well as the management of the Group capital. Furthermore, these consolidated financial statements include additional quantitative information. The Group risk management focuses on the volatility of financial markets and seeks to minimise potential undesirable effects on financial and economic performance.

Credit risk

The credit risk is the risk that a customer or one of the counterparties to a financial instrument causes financial losses by failing to fulfil an obligation and derives mainly from trade receivables and the financial investments of the Group.

In order to define the strategies and guidelines for the trade receivables policy, grant credit facilities to customers, disperse the credit risk, monitor the solvency of customers and start debt recovery operations, the company established the position of Credit Manager and issued an organisational procedure for credit management.

The prospects for the recovery of credit are assessed position by position, taking into account the indications of the office managers and internal and external legal advisors who follow the recovery process.

Receivables for which there is a probability of loss as at the date of the financial statements are written down.

It should also be pointed out that the Group has received sureties and/or guarantee deposits covering approximately one quarter of the total annual rents.

The following table shows the Group's exposure to credit risk:

(in €'000s)	**31.12.2013**	**31.12.2012**
Current trade receivables	79,118	82,807
Other current assets	2,109	2,835
Non-current financial assets (including derivatives)	-	-
Other non-current assets	37,436	40,146
Cash & cash equivalents	22,235	29,643
Current financial assets (including derivatives)	-	-
Non-current trade receivables	4,911	5,948
Construction contracts	8,530	12,230
Total exposure net of writedown allowance	**154,339**	**173,609**

The amount of the financial assets considered to be doubtful with regard to recovery and which are of a significant amount, is covered by appropriate provisions to the allowance for doubtful receivables.

The following table shows the exposure to credit risk by counterparty:

(figures in %)	**31.12.2013**	**31.12.2012**
Ordinary customers	64%	62%
Other creditors	36%	38%
Total exposure net of writedown allowance	**100%**	**100%**

The following tables provide a breakdown of the financial assets as at 31 December 2013 and 2012, grouped by maturity, net of the allowance for doubtful receivables.

(figures in %)		31.12.2013				
		Past due by				
	Falling due	0-30	31-120	121-365	Beyond 1 year	Total
Ordinary customers	65%	3%	8%	8%	16%	100%
Financial institutions	100%					100%
Other creditors	0%		4%	18%	78%	100%

(figures in %)		31.12.2012				
		Past due by				
	Falling due	0-30	31-120	121-365	Beyond 1 year	Total
Ordinary customers	55%	11%	13%	7%	14%	100%
Financial institutions	100%					100%
Other creditors	8%		5%	22%	73%	100%

Liquidity risk

The liquidity risk is the risk that an entity may find it difficult to fulfil the obligations associated with financial liabilities to be settled through the delivery of cash or other financial assets.

The loans taken out to finance the refurbishment of both station complexes and property investments have all been paid out and are structured on the basis of the estimated future cash flows expected from the lease agreements.

It should be stressed that during 2013 - following the activation of the procedures involving direct disbursement - a tranche of EUR 25 million was collected by way of grants for works under "Legge Obiettivo".

The group aims to prudently manage liquidity risk which originates from normal operations and utilises leading financial institutions in the banking system, from which it has received committed and uncommitted credit facilities granted to cover liquidity needs.

Contractual maturities of financial liabilities, including interest to be paid, are shown in the following table (amounts in €'000s):

31 December 2013	Book value	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities							
Bank loans	203,286	224,428	34,697	9,763	20,077	63,964	95,656
Trade payables	97,616	97,616	52,272	45,344			
Derivative financial liabilities							
Interest rate swaps	6,542	7,852	905	898	1,697	3,435	917
Interest rate collars and interest rate caps	613	697	174	169	253	100	0

Total	**308,057**	**330,593**	**88,318**	**56,175**	**22,027**	**67,500**	**96,573**

31 December 2012	Book value	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities							
Bank loans	198,525	221,777	10,090	9,741	19,768	62,318	119,860
Trade payables	107,603	107,603	64,198	43,405			
Derivative financial liabilities							
Interest rate swaps	9,609	10,119	921	921	1,811	4,389	2,078
Interest rate collars and interest rate caps	1,033	1,059	183	189	347	340	
Total	**316,771**	**340,558**	**75,392**	**54,256**	**21,926**	**67,047**	**121,937**

The tables below show financial liability repayments as at 31 December 2013 and as at 31 December 2012 according to their maturity: within 12 months, from 1 to 5 years and beyond 5 years:

31 Dec. 2013	Total book value	Book value maturities				
		6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities						
Bank loans	203,286	33,865	8,696	17,844	55,653	87,229
Trade payables	97,616	52,272	45,344			
Total	**300,902**	**86,137**	**54,040**	**17,844**	**56,653**	**87,229**

31 Dec. 2012	Total book value	Book value maturities				
		6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities						
Bank loans	198,525	8,899	8,591	17,533	54,510	108,991
Trade payables	108,674	52,547	56,127			
Total	**307,199**	**61,446**	**61,138**	**17,533**	**54,510**	**108,991**

The contractual flows of floating rate financial liabilities have been calculated using the forward rates estimated as at the balance sheet closing date.

With regard to the stratification of the flows expected from derivative financial instruments please see the "Exchange risk" and "Interest rate risk" sections below.

Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market rates, changes in exchange rates, interest rates or the prices of equity instruments. The purpose of managing the market risk is to handle and maintain the Group's exposure to this risk within acceptable levels, while optimising return from investments. The Group uses hedges in order to handle the volatility of results.

The fair value of a derivative contract is determined using the official prices for instruments traded on organised markets. The fair value of instruments not listed on organised markets is determined using measurement techniques appropriate for each type of financial instrument and market data as of the close of the period (such as interest rates, exchange rates, and volatility), discounting expected cash flows on the basis of the market interest rate curve at the balance sheet date and translating amounts in currencies other than the Euro using year-end exchange rates provided by the European Central Bank.

The notional value of a derivative contract is the amount on the basis of which flows are exchanged. The notional amounts of derivatives reported here do not represent amounts exchanged between the parties and therefore are not a measure of the Company's credit risk exposure.

Financial liabilities associated with derivative instruments held by the Group include:

- cash flow hedges, concerning the hedging of the risk of changes in cash flows or the exchange rate risk associated with long-term indebtedness index-linked at a floating rate;
- trading derivatives concerning the hedging of the interest rate and exchange rate risk which are not required to be designated as cash flow hedges or fair value hedges or which do not satisfy the formal hedging requirements of IAS 39.

Interest rate risk

The Group constantly monitors the performance and forecasts of the market and simulates, using internal analysis, the effects from potential refinancing, renegotiation of existing loans or hedging transactions. During the meeting on 20 March 2009, the BoD of Grandi Stazioni decided to implement additional hedges with respect to those already in existence in order to increase the ratio between the hedged value and the exposure to floating rates in relation to existing loan contracts by 50% .

The instruments envisaged were traditional derivatives (such as, for example, IRS, FRA, COLLAR, CAP). As at 31 December 2013, Interest Rate Swaps and Interest Rate Collars were used.

The credit risk policy associated with transactions in derivatives was also defined for the Group.

In order to avoid concentrations of this credit risk, it was established that no counterparty could assume positions in excess of 30% of the notional value of the debt being hedged and the minimum rating would have to be at least equal to "A-."

As at 31 December 2013, the Group had 6 ISDA Master Agreements with leading Italian and international institutions possessing the required credit rating and its transactions were contained within the aforementioned concentration limits. Neither counterparty holds a notional value of derivatives equal to more than 30% of the debt portfolio being hedged.

The loans taken out by the Company are normally settled at a floating rate increased by a spread. The economic results of the Company are therefore significantly influenced by the performance of interest rates.

The Company's policy is to minimise the risk linked to interest rates as much as possible over the medium-term, so as to remain essentially exposed only to the risks linked to property assets.

As at 31 December 2013, the following hedges were outstanding:

- *IRS with RBS* (Royal Bank of Scotland) entered into in 2009 to hedge the EIB loan, with a notional value of EUR 20 million and an amortising structure with a fixed rate of 3.635%; maturity is on 30 June 2023;
- *IRS* with Credit Agricol entered into in 2009 to hedge the EIB loan, with a notional value of EUR 30 million and an amortising structure with a fixed rate of 3.738%; maturity is on 30 June 2023;
- *Collar with BNP Paribas* entered into in 2010 to cover the EIB loan, with a notional value of the EUR 25 million and amortising structure with a cap rate of 3.96%, a floor of 1.25% and a spread of 0.25%; maturity is on 31 December 2016;
- IRS *with Société Générale* – entered into in 2011 to cover the UniCredit Bank Austria AG loan with a notional value of EUR 4.97 million (CZK 125 million) and an amortising structure with a fixed rate of 2.22%;
- IRS *with Unicredit* – entered into in 2011 to cover the UniCredit Bank Austria AG loan with a notional value of EUR 4.97 million (CZK 125 million) and an amortising structure with a fixed rate of 2.22%;
- *Collar with Société Générale* – entered into in 2011 to cover the UniCredit Bank Austria AG loan with the notional value of EUR 11.93 million (CZK 300 million) and an amortising structure with a cap of 2.24%, floor of 1.00% and spread of 0.250%;

All the aforesaid contracts are qualified as cash flow hedges. The expiry of these contracts does not exceed the maturity of the underlying financial liabilities so that any change in fair value and/or expected cash flows of these contracts is balanced by a corresponding change in the fair value and/or expected cash flows of the underlying position.

Interest rate swaps usually provide for the periodic exchange of flows of interest at floating rates against flows of interest at fixed rates, both calculated on the same notional reference capital.

Interest rate options provide for the periodic payment of an interest rate differential calculated on a notional capital reference, once specific predefined values are achieved (the strike). These threshold values determine the maximum rate (the cap) or minimum rate (the floor) at which the indebtedness will be index-linked as a result of the hedge.

Interest rate options are usually entered into when the fixed interest rate achievable through an interest rate swap is considered to be too high with respect to the expectations of the company on future interest rates. In addition, the use of interest rate options is considered appropriate in periods of uncertainty regarding the future performance of rates, making it possible to benefit from any interest rate decreases.

Disclosure: IFRS 13.93 and 13.94

Derivatives included in the Group portfolio consist of OTC instruments and fall under the Level 2 valuation.

Fair value valuations pertaining to financial instruments were made based on financial models considered as market standards. More specifically:

•The net present value of future flows for swaps was determined; and

•The market value was calculated using the *Black & Scholes* model for options (Collar).

The input data used to feed the models consisted of market parameters observable and available on major financial info providers.

More specifically, with regard to Grandi Stazioni S.p.A. parent company reference was made to the data of the Swap curve vs Euribor 3 months, Swap vs Euribor 6 months, Eur Interest Rate Volatility Cube as well as Credit Default Swap (CDS) curve of the parties involved in the derivative agreement representing the input datum commonly accepted by market operators to determine non-performance risk; with regard to Grandi Stazioni Ceska Republica subsidiary, the input data used to feed the models consisted of data pertaining to the Swap curve vs Pribor 6 months, a flat volatility level at 25% as well as Credit Default Swap (CDS) curve of the parties involved in the derivative agreement representing the input datum commonly accepted by market operators to determine non-performance risk. The determination of non-performance risk is made based on adequate valuation techniques generally adopted in the financial industry and appropriate models that among the factors considered include the following:

i) exposure to risk, which is assessed as potential mark-to-market exposure during the financial instrument life;

ii) (ii) appropriate CDS curves to represent their probability of default (PD).

The following table shows the medium/long-term fixed and floating rate loans (including the short-term portion):

Medium/long-term loans (including the short-term portion)

(figures in €'000s)		Contractual cash flows				
				Portion of the notional value maturing between		
	Accounting balance	**Notional value**	***Current notional value***	***1 and 2 years***	***2 and 5 years***	***Beyond 5 years***
- floating rate	203,286	203,286	42,561	17,844	55,653	87,229
Balance as at 31 December 2013	**203,286**	**203,286**	**42,561**	**17,844**	**55,653**	**87,229**
- floating rate	198,525	198,525	17,491	17,533	54,510	108,991
Balance as at 31 December 2012	**198,525**	**198,525**	**17,491**	**17,533**	**54,510**	**108,991**

The following table shows the percentage of medium/long-term fixed and floating rate loans (including the short-term portion):

Medium/long-term loans (including the short-term portion)

	31.12.2013	**31.12.2012**
Prior to hedging with derivatives		
- floating rate	100%	100%
- fixed rate	0%	0%
After hedging with derivatives		
- floating rate	54%	51%
- protected floating rate	17%	19%
- fixed rate	29%	30%

It should be noted that the company had no transactions of a speculative nature or that were not connected to its own debt position.

A sensitivity analysis is shown below, highlighting the effects which would be registered in terms of change in the financial expense in the presence of a change of +/- 50 basis points in the Euribor rates applied to loans payables during 2013.

+50 bps additional cost hypotheses	31.12.2013	31.12.2012
Additional costs for interest	968	1.056
Lower SWAP costs	(470)	(347)
Total	**498**	**709**
IRES (corporate income tax)	27.50%	27.50%
Net impact	**361**	**514**
-50 bps additional cost hypotheses	**31.12.2013**	**31.12.2012**
Additional costs for interest	(968)	(1,506)
Greater costs for SWAPs	485	389
Total	**(483)**	**(677)**
IRES (corporate income tax)	27.50%	27.50%
Net impact	**(350)**	**(484)**

In conclusion, the "Hedging derivatives fair value sensitivity" table is presented, which indicates the balance sheet effects which would be registered on the value of the derivatives should an increase or decrease of 50 basis points take place in the Euribor interest rates.

	Shift + 50 bps	Shift - 50 bps
Fair value hedging derivatives	2,127	(2,308)

Exchange risk

The Group mainly operates on the Italian market and the market of the Czech Republic where the subsidiary Grandi Stazioni Ceska operates mainly in local currency; it is therefore exposed to the exchange risk from the various currencies in which it operates to a very limited degree

Capital management

The Group's objective insofar as capital management is concerned is mainly to ensure the ongoing nature of the company so as to guarantee the returns to the shareholders and the benefits for other stakeholders. The Group has also set itself the objective of maintaining an optimal capital structure so as to reduce borrowing costs.

Financial assets and liabilities by category

In order to complete the information provided on financial risks, the table below provides a reconciliation between financial assets and liabilities as shown in the consolidated balance sheet and the financial asset and liability category indicated based on the requirements of IFRS 7:

Financial assets and liabilities by category			
31.12.2013	Receivables and loans	Payables and loans due	Hedging derivatives
Non-current trade receivables	4,911		
Current financial assets (including derivatives)	13,785		
Other non-current assets	37,436		
Construction contracts	8,530		
Current trade receivables	79,118		
Other current assets	2,109		
Medium/long-term loans	-	160,855	
Non-current financial liabilities (including derivatives)			7,122
Non-current trade payables		-	
Other non-current liabilities		4,775	
Short-term loans and current portion of medium/long-term loans		42,431	
Current trade payables		97,616	
Current financial liabilities (including derivatives)			32
Other current liabilities		10,569	

Financial assets and liabilities by category			
31.12.2012	Receivables and loans	Payables and loans due	Hedging derivatives
Non-current trade receivables	5,948		
Current financial assets (including derivatives)	4,836		
Other non-current assets	40,146		
Construction contracts	12,230		
Current trade receivables	82,807		
Other current assets	2,835		
Medium/long-term loans	-	180,399	
Non-current financial liabilities (including derivatives)			10,588
Other non-current liabilities		5,858	
Short-term loans and current portion of medium/long-term loans		17,518	
Current trade payables		107,603	
Current financial liabilities (including derivatives)			56
Other current liabilities		8,338	

Analysis of the consolidated balance sheet items

The consolidated balance sheet items for 2013, presented on a comparative basis with the previous year, are analysed as follows:

6 Property, plant and equipment

The table below shows the Property, plant and equipment at the start and end of the year, together with the related changes. There were no changes in the estimated service life of these assets during 2013.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Construction in progress and advance payments	Leased assets	Total

Historical cost	93,945	94,554	1,058	6,701	176,566	1,096	373,920
Amortisation and impairment losses	(8,897)	(20,538)	(1,027)	(5,513)	(418)	(1,005)	(37,398)
Grants	-	(18,747)	-	-	(55,346)	-	(74,093)
Balance as at 31 Dec. 2012	**85,048**	**55,269**	**31**	**1,188**	**120,802**	**91**	**262,429**
Investments	-	204	-	906	42,574	-	43,684
Entry into service	9,770	10,808	-	450	(21,028)	-	-
Amortisation and depreciation	(3,397)	(8,654)	(11)	(969)	-	(31)	(13,062)
Impairment losses	-	-	-	-	(380)	-	(380)
Exchange differences	-	-	-	-	-	(8)	(8)
Sales and disposals - historical cost	(1,505)	(312)	-	(138)	(4,652)	(36)	(6,642)
Sales and disposals - accumulated depreciation	96	35		138		12	281
Increases in grants for the period	-	-	-	-	(24,679)	-	(24,679)
Other restatements	-	-	-	-	-	-	-
Total changes	**4,963**	**2,082**	**(11)**	**387**	**(8,165)**	**(62)**	**(1,087)**
Historical cost	102,210	105,254	1,058	7,920	193,460	1,060	410,962
Amortisation and impairment losses	(12,198)	(29,157)	(1,038)	(6,344)	(798)	(1,031)	(50,566)
Grants	-	(18,747)	-	-	(80,025)	-	(98,772)
Balance as at 31 December 2013	**90,011**	**57,351**	**20**	**1,575**	**112,637**	**29**	**261,623**

Increases in *Construction in progress and advance payments* totalling EUR 42,574 in 2013 referred to the capitalisation of external and internal costs incurred by the parent company mainly relating to design costs and renovation works in progress at Venice, Genova, Verona, Bologna, Florence, Bari and Palermo Centrale stations. The change in investments in "other assets" was essentially due to new station videowalls purchased by the parent company and deemed as instrumental in media operations (EUR 431,000 approximately) and new IT equipment (EUR 426,000 approximately) In this connection, it should be pointed out that assets belonging to the advertising system purchased in December of the previous year from Vidio were subject to new impairment test, which confirmed the stable value of the assets being referred to.

Assets becoming operational totalling EUR 21,028 million included: Buildings (EUR 9,770 million), Plant and machinery (EUR 10,808 million) and Other assets (EUR 450,000) for the commissioning of the projects completed during the year in Venezia Santa Lucia and Firenze Santa Maria Novella stations as well as works in Roma Termini and Torino Porta Nuova stations.

The impairment loss held under construction in progress and advance payments totalling approximately EUR 380,000 was due: to preliminary and executive design (previously capitalised) expenses being recognised under the income statement, such expenses failing to feed naturally into executive investment projects. Sales and disposals held respectively under land and buildings for EUR 1,409,000 (net of accumulated depreciation), under plant and machinery for EUR 277,000 (net of accumulated depreciation) and construction in progress and advance payments for EUR 4,652,000 were, with respect to the former two, due to book value adjustments on investments that came on stream in prior years and, with respect to the latter, mainly due to renovation work completed by the company on behalf of RFI (Rete Ferroviaria Italiana), with consideration being recognised by RFI only at a later stage.

The operating grants totalling EUR 98,772,000 referred to: former Jubilee 2000 grants (EUR 18,747,000) received by the company for the construction of the Rome Termini station; work under way for the "additional station complex work," (EUR 80,025,000) approved as part of the strategic infrastructure program (Law 443/2001 – the so-called "Legge Obiettivo"). Regarding the latter credit facility, the collection of EUR 24,679,000 that occurred during the year against a work progress report submitted to the relevant ministerial departments should be pointed out.

7 Investment Property

The following table lists the property investments and the changes in the same.

	2013		Total	2012		Total
	Land	Buildings	Item	Land	Buildings	Item
Balance as at 1 January						
Cost	10,925	50,763		10,925	42,891	
Accumulated depreciation	-	(17,143)		-	(15,240)	
Book value	**10,925**	**33,620**	**44,545**	**10,925**	**27,650**	**38,576**
Changes during the year						
Acquisitions					-	
Restatements	2,184	7,455			7,872	
Depreciation		(3,097)			(1,903)	
Restatements		(2,373)			-	
Total changes	**2,184**	**1,985**	**4,169**		**5,969**	**5,969**
Balance as at 31 December						
Cost	13,110	58,218		10,925	50,763	
Accumulated depreciation		(22,613)			(17,143)	
Book value	**13,110**	**35,605**	**48,714**	**10,925**	**33,620**	**44,545**

Investment property reflects the value of the properties bordering the stations of Napoli Centrale, Venezia Santa Lucia and the building complexes in Bologna and Florence. During the year, the value of property located in Genova (and related amortisation) was restated, such value being previously reflected in assets held for sale, as the requirements to held this item under the aforesaid balance sheet entry were no longer met.

There are mortgages on the Florence, Bologna, Venice and Naples properties against loans originally totalling EUR 80 million.

The aforesaid property investments include various properties occupied by companies in the Ferrovie dello Stato Italiane Group and/or by third parties from which the parent company receives compensation for occupancy or lease fees. For more details on dealings with related parties, see note 45. Total lease revenues recorded in the period amounted to EUR 2,351,000 (EUR 2,653,000 in 2013), while maintenance cost stood at EUR 565,000 (EUR 498,000 in 2012).

With respect to some of the investment property named above, the Company deemed it apposite to update the appraisals conducted in previous years by an independent expert, with special reference to properties located in Genova and Naples . The values of estimates proved in line with the historical cost net of amortisation calculated during the years of ownership.

8 Intangible assets

The table below lists the intangible asset balances made up of just software and usage licences and accessory charges which increased during the year by EUR 917,000 mainly due to investments made on the ERP-SAP system.

	Concessions, licences, trademarks and similar rights
Historical cost	5,933
Amortisation and impairment losses	(4,952)
Balance as at 31 Dec. 2012	**981**
Investments	917
Amortisation and depreciation	(543)
Sales and disposals	(18)
Total changes	**356**
Historical cost	6,832
Amortisation and impairment losses	(5,495)
Balance as at 31 December 2013	**1,337**

It should be noted that during 2013 the Group did not incur any research and development costs.

9 Prepaid tax assets and deferred tax liabilities

The following tables illustrate the balance of the prepaid tax assets and deferred tax liabilities, together with the changes that occurred in 2013:

	31.12.2012	Add.(red.) with alloc. to IS	Other changes	31.12.2013
Prepaid tax assets:				
Value differences on tangible and intangible assets	673	(245)	-	428
Provisions for risks and charges and impairment losses with deferred tax deductibility	5,085	(91)	-	4,994
Valuation of financial instruments	2,588	-	(805)	1,783
Other items	626	109	(3)	732
Total	**8,973**	**(227)**	**(808)**	**7,938**
Deferred tax liabilities:				
Differences on long-term financial assets	444	-	-	445
Income subject to deferred taxation	3,891	(2,211)	-	1,680
Valuation of financial instruments	342	181	50	574
Employee benefits	63	-	46	109
Capitalised financial charges	2,118	(99)	-	2,018
Total	**6,858**	**(2,129)**	**96**	**4,826**

Prepaid tax assets as at 31 December 2013 stood at EUR 7,938,000, decreasing by EUR 1,035.000 compared to 31 December 2012. The change was essentially due to reversals in temporary differences pertaining to doubtful receivables, provisions for risks and charges and valuations of the financial instruments.

There are no prior tax losses on which the Company could have recorded prepaid taxes.

Deferred tax liabilities totalled EUR 4,826,000 as at 31 December 2013, down by EUR 2,033,000 mainly due to the reversal of deferred taxes (payable in instalments) applicable to capital gains from the sale of the former departmental office buildings in Venice and Rome during the current year and - with respect to Rome capital gains only - the following two years, respectively.

10 Current and non-current trade receivables

Trade receivables are analysed as follows:

	31.12.2013		31.12.2012		Changes	
	Non-current	Current	Non-current	Current	Non-current	Current
Ordinary customers	4,911	62,446	5,948	63,638	(1,037)	(1,192)
Amounts due from Group companies	-	29,178		29,125	-	53
Parent Company	-	1,067		2,209	-	*(1,142)*
Other affiliated companies	-	28,111		26,916	-	*1,195*
Total	**4,911**	**91,624**	**5,948**	**92,763**	**(1,037)**	**(1,139)**
Doubtful receivables	-	(12,506)		(9,956)	-	(2,550)
Third parties	-	12,067		9,818	-	*2,249*
FS Group	-	439		138	-	*301*
Total net doubtful receivables	**4,911**	**79,118**	**5,948**	**82,807**	**(1,037)**	**(3,689)**

“Non-current” trade receivables as at 31 December 2013 fell by EUR 1,037,000 compared to the previous year, as was the case with “current” trade receivables (- EUR 3,689,000). This change was due to both a reduction in receivables from third parties as a result of an extensive debt recovery action conducted systematically throughout the period, as well as an increase in doubtful receivables including, among other things, a writedown of trade receivables of approximately EUR 1,763,000 relating to default interest accrued, but not yet received, due to late payments. Provisions for doubtful receivables included EUR 352,000 relating to the writedown booked by subsidiary Grandi Stazioni Ceska Republica.

It should be pointed out that the main customers accounting for more than 10% of the company revenues referring to the past two periods include Rete Ferroviaria Italiana (EUR 51,150,000 in 2012 and EUR 55,761,000 in 2013) and Trenitalia (EUR 29,299,000 in 2012 and 30,387,000 in 2013).

The aforesaid revenues were all related to the company's core business operations involving the lease and management of the spaces.

The maximum exposure to credit risk, shown by geographic region, is the following:

	31.12.2013	31.12.2012
Italy	82,988	87,618
Eurozone countries	1,041	1,137
Total	**84,029**	**88,755**

11 Other current and non-current assets

The item is broken down as follows:

	31.12.2013		31.12.2012		Changes	
	Non-current	Current	Non-current	Current	Non-current	Current
Other tax receivables	772	626	1,288	2	(516)	624
VAT credits	-	-	-	31	-	(31)
Advances on lease instalments	36,334	-	38,437	-	(2,103)	-
IRES (corporate income tax) for tax consolidation	-	45		615	-	(570)
Sundry debtors	2	1,004	2	1,892	-	(888)
Accrued income and prepaid expenses	327	434	418	296	(91)	138
Total	**37,436**	**2,109**	**40,146**	**2,835**	**(2,710)**	**(727)**

Other "non-current" tax credits referred mainly to: corporate income tax of EUR 772,000 as at 31 December 2013 (falling due after 12 months), which was assigned by Ferrovie dello Stato Italiane S.p.A. in 2004, used in each accounting period to the maximum extent as laid down by applicable legislation (Italian Legislative Decree No. 241/97). Sundry debtors totalled EUR 2,000 and referred to collateral; "Advances on leasing instalments" referred to indirect and direct costs incurred by subsidiary Grandi Stazioni Ceska for the renovation of the Prague and Marià nské Làzne stations. These are therefore costs suspended among non-current assets which are recognised in the income statement on a straight-line basis over the duration of the lease with Czech Railways (Ceske Drahy a.s.). In 2013 and 2012 the total costs booked to the income statement mainly related to subsidiary Grandi Stazioni Ceska Republika and respectively amounted to EUR 1,353,000 and EUR 1,302,000. In this connection, reference should be made to note 31 "Use of third party assets."

With regard to "current receivables", the IRES credit from the tax consolidation scheme related to the difference resulting from advances paid to parent company Ferrovie dello Stato Italiane S.p.A. and the taxes allocated during the current year. Changes reflected in other tax assets pertained to (i) prepaid taxes paid by the parent company for tax payment notices against which appeals were lodged with the relevant Provincial Tax Boards (for more details reference should be made to paragraph 20, "provisions for risks and charges") and (ii) waste disposal tax (locally known as "Tarsu") applicable to stations.

Accruals and deferrals referred to portions of cost to be deferred to the following year for insurance premiums paid in advance.

The maximum exposure to credit risk, shown by geographic region, is shown below:

	31.12.2013	31.12.2012
Italy	1,180	4,062
Eurozone countries	38,364	38,919
Total	**39,544**	**42,981**

12 Construction contracts

Construction contracts are made up as follows:

Construction contracts	31.12.2013	31.12.2012	Changes
Contract works in progress	41,356	38,555	2,801
Doubtful receivables	(634)	(165)	(469)
Net value	**40,722**	**38,390**	**2,332**
Advance payments	(32,192)	(26,160)	(6,032)
Net value	**(32,192)**	**(26,160)**	**(6,032)**
Total construction contracts	**8,530**	**12,230**	**(3,700)**

Construction contracts referring to orders not completed as at 31 December 2013 were recognised under inventories, based on the contractual amounts pursuant to contracts entered into mainly with RFI S.p.A. and Trenitalia S.p.a. (both companies belonging to the FS Group).

The EUR 3,700,000 decrease in construction contracts as at 31 December 2013 compared to the previous year was due to the combined effect of: an EUR 2.801,000 increase arising from a rise in contractual amounts accrued in the year for work completed, a EUR 469,000 net increase in provisions for doubtful receivables, a EUR 6,032,000 decrease due to advances received mainly from RFI and Trenitalia.

The table below shows the changes in the allowance for doubtful receivables during the period, complete with the provisions and releases relating to the expected losses.

	Balance as at 31 Dec. 2012	Provisions	Uses	Release of excess allowances	Balance as at 31 Dec. 2013
Construction contracts writedown allowance	**165**	597		(128)	634
TOTAL	**165**	**597**	**-**	**(128)**	**634**

13 Current and non-current financial assets (*including derivatives*)

The table below shows the changes in financial assets at the end of the two periods compared.

	Book value								
	31.12.2013			31.12.2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Financial assets									
- Other financial receivables (from parent company)		13,785	13,785		4,836	4,836		8,949	8,949
		13,785	**13,785**		**4,836**	**4,836**		**8,949**	**(8,949)**

Financial receivables from the parent company consist entirely of the balance of the intercompany current account maintained by ultimate parent company Grandi Stazioni with Ferrovie dello Stato Italiane S.p.A. as at 31 December 2013, through which the collections and payments relating to economic dealings with companies belonging to the FS Group transit, (in addition to the same parent company, Ferservizi, Italferr, RFI and Trenitalia). This current account relationship takes place at arm's length and based on a contract that envisages a receivable interest rate equal to the average monthly Euribor minus a spread of 0.175% per annum. The average rates applied for 2012 and 2013 amounted respectively to: 0.199% and 0.013%.

14 Cash & cash equivalents

Below is a breakdown of this item:

Description	31.12.2013	31.12.2012	Change
Bank and post office deposits	22,228	29,632	(7,403)
Cash and equivalents on hand	6	11	(4)
Total	**22,235**	**29,643**	**(7,408)**

The current year-end balance showed a drop compared to the previous year, largely offset by increases in the intercompany current account as under 14 hereinabove. It accounted for liquid assets and cash holdings as at 31 December 2013.

15 Tax receivables

Tax receivables as at 31 December 2013 disclosed a balance of EUR 559,000, due to the differential between advances paid and provisions for IRAP (regional business tax) made in the current year. Below is a breakdown of this item:

	31.12.2013	31.12.2012	Changes
Due from inland revenue for IRAP (regional business tax)	559	778	(257)
Total	**559**	**778**	**(257)**

16 Non-current assets held for sale

As at 31 December 2013, the balance of "non-current assets held for sale" was nil due to the amount pertaining to Genoa building being restated under "Investment property" - as mentioned under 7 hereinabove - after the requirements were no longer met to reflect this item in the above entry.

Assets held for sale	31.12.2013	31.12.2012	Changes
Property and land held for trading	0	7,266	(7,266)

Total assets held for sale	**0**	**7,266**	**(7,266)**

17 Shareholders' equity

A breakdown of the changes that occurred during 2013 regarding the main consolidated shareholders' equity items is shown in the statement of changes in consolidated shareholders' equity which follows the financial statements schedules.

Share capital

The share capital of the ultimate parent company as at 31 December 2013, fully subscribed and paid up, consisted of 83,334 ordinary shares with a par value of EUR 51.65 each, totalling EUR 4,304,201.10. As at 31 December 2013, based on the results of the shareholders' register, the share capital was held by Ferrovie dello Stato Italiane S.p.A. (60%) and Eurostazioni S.p.A. (40%).

Legal reserve

The legal reserve, totalling EUR 861 thousand, was unchanged compared to 31 December 2012 insofar as it had reached the limit laid down by Section 2430 of the Italian Civil Code of Procedure (20% of the share capital).

Share premium reserve

The share premium reserve dates back to the share capital increase transaction which took place on 28 July 2000 and has not changed when compared to the previous year.

Extraordinary reserve

The extraordinary reserve consists of profits from previous years which were not distributed. This reserve showed therefore a EUR 3,855,000 increase in 2013.

Reserve for conversion of foreign currency financial statements

The conversion reserve includes all the exchange differences deriving from the conversion of the financial statements of the foreign subsidiary Grandi Stazioni Ceska.

Reserve for fair value valuation on derivatives - Cash flow hedge

The cash flow hedge reserve includes the effective portion of the net accumulated change in fair value from the cash flow hedges relating to hedging transactions that had not yet taken place taking into account the related tax effect. For additional details please see note 5 under section "interest rate risk" and note 22 ""'Current and non-current financial liabilities (including derivatives).

Reserve for actuarial gains (losses) for employee benefits

The item includes just the portion of gains/(losses) deriving from the actuarial calculation booked in full to shareholders' equity, in the reference period, taking into account the related deferred tax effect.

Result for the year

The result for the period stood at EUR 9,952,000. The year-over-year drop was chiefly due to non-recurrent events that occurred during the year, as extensively illustrated in the directors' report on operations.

Following the resolution of the shareholders' meeting held on 27 May 2013, during the year the Company distributed dividends based on 2012 results totalling EUR 15,417,000.

With regard to the allocation of the profit for 2013 totalling EUR 8,293,816, on 15 April 2014 the Board of Directors of the ultimate parent company left this decision with the shareholders' meeting, given that the legal reserves had reached the limit as under Section 2430 of the Italian Civil Code of Procedure.

18 Medium/long-term and short-term loans

The medium/long-term loans and related current portion are shown by type below:

	Book value		
Medium/long-term loans	**31.12.2013**	**31.12.2012**	**Changes**
Bank loans	160,855	180,399	(19,544)
Total	**160,855**	**180,399**	**(19,544)**

Short-term loans	**31,12,2013**	**31,12,2012**	**Changes**
Bank loans (short-term)	42,431	17,518	24,913
Total	**42,431**	**17,518**	**24,913**
Total loans	**203,286**	**197,917**	**5,369**

As regards the breakdown of the contractual maturities of these financial liabilities, inclusive of interest to be paid, see note 5 (“Risk management”), section entitled “Liquidity risk”.

The terms and conditions for outstanding loans are as follows:

Creditor	Currency	Nominal interest rate	Year of maturity	31.12.2013 Nom. value	31.12.2013 Book value	31.12.2012 Nom. value	31.12.2012 Book value	Changes Nom. value	Changes Book value
Intesa San Paolo mortgage loan – Florence/Bologna property	EUR	Euribor 6 months +0.95%	2022	12,002	12,008	13,125	13,132	(1,123)	(1,124)
Intesa San Paolo mortgage loan – Venice\Naples property	EUR	Euribor 6 months +0.95%	2022	36,005	36,025	39,375	39,395	(3,370)	(3,370)
Bipop Carire	EUR	Euribor 6 months +0.80%	2013			325	326	(325)	(326)
EIB loan	EUR	Euribor 6 month + floating spread	2023	105,556	105,320	116,667	116,365	(11,111)	(11,045)
Unicredit Bank Austria AG loan	EUR	Euribor 6 months +1.6%	2024	25,213	24,915	29,054	28,699	(3,841)	(3,784)
ISP short-term loan	EUR	0.97%	27/01/14	15,000	15,013			15,000	15,013
ISP short-term loan	EUR	1.15%	17/02/14	5,000	5,002			5,000	5,002
CREBERG short-term loan	EUR	1.80%	19/02/14	5,000	5,003			5,000	5,003
Total loans				**203,776**	**203,287**	**198,546**	**197,917**	**5,230**	**5,370**

The book values of the loans detailed in the above table account for the relevant fair values.

The loans referred to:

- the loan taken out by the parent company with Intesa San Paolo (formerly Banca Infrastrutture Innovazioni e Sviluppo) due to the raising of two property mortgages secured by the properties in Florence, Bologna, Venice and Naples totalling EUR 80 million originally. Both of the loan agreements were entered into on 6 March 2003 for a twenty-year duration and provide for the payment of the interest only for the first three years and the return of the principal over the next 17 years at a floating rate equal to the six-month Euribor plus a spread of 0.95%. During the year, there was a change due to the reimbursement of the respective principal portions;
- Bipop Carire loan, paid off in May 2013. This loan agreement was entered into by the parent company in May 2005 for a total amount of EUR 3.25 million to support the investment in shareholdings in Italian companies abroad (Italian Law 100/90 – SIMEST). The agreement has a duration of 8 years, contemplates interest-only payments for the first three years and the repayment of the principal over the next five years at a floating rate equal to the six-month Euribor plus a spread of 0.8%;
- The EUR 150 million loan entered into with the EIB (European Investment Bank) by the parent company in April 2008 for refurbishment work within the stations. The transaction is guaranteed by Caylon Bank and Cassa Depositi e Prestiti S.p.A.. The duration is 15 years as from the first disbursement (30 June 2008); reimbursement is envisaged in six-monthly instalments at a constant capital rate from 30 June 2010 and with an interest rate equal to the offered six-month Euribor rate

for a duration of six months increased or decreased by the number of basis points communicated by the Bank to the Company. In June 2008 and October 2008, two additional guarantees were entered into, respectively with Banca Caylon S.A. and Cassa Depositi e Prestiti S.p.A., to which six-monthly commission is payable, amounting to 45 basis points, to be calculated on the amount by way of principal of the payments made from time to time. The agreement requires that the guarantor be informed regarding the methods of hedging the debt (historical with financial statements figures as at 31 December and forecast with figures from the budget), such obligation being fulfilled as at 31 December 2013. To cover the loan, three derivative contracts were in place as at 31 December 2013 (cf. Note 21 for details). It should be noted that in order to cover the costs for raising this loan, accessory charges were incurred totalling EUR 340,000 to reduce the value of the financial debt for the calculation of the amortised cost;

- The loan taken out by subsidiary Grandi Stazioni Ceska with Unicredit Bank Austria A.G on 9 August 2011 in the region of EUR 28.5 million (CZK 730 million), entirely disbursed as at 31 December 2011. The loan has a duration of 13 years and an interest rate of six month Pribor plus a spread of 1.6% (on an annual basis) up to 30 June 2016 and, subsequently, six month Pribor plus a spread of 2.2%-2.55% (on an annual basis). This loan is guaranteed in full by parent company Grandi Stazioni S.p.A.
- Three short-term loan agreements totalling EUR 25 million entered into with Intesa San Paolo and Credito Bergamasco by activating part of the credit lines granted to the Company to meet temporary working capital needs.

19 Employee leaving indemnity and other staff benefits

	31.12.2013	31.12.2012	Changes
Current value of leaving indemnity liabilities	1,924	2,190	(266)
Total current value of obligations	**1,924**	**2,190**	**(266)**

The following table shows the changes in the current value of the liabilities for defined-benefit obligations exclusively comprising the TFR (employee leaving indemnity).

Employee leaving indemnity *Figures shown in €000s*	31.12.2013	31.12.2012
Defined-benefit obligations at 1 January	2,073	1,906
Service cost		50
Interest cost (*)	49	74
Actuarial (gains) losses recognised under shareholders' equity	(165)	294
Advances and uses	(32)	(134)
Liabilities for defined-benefit obligations as at 31 December	**1,924**	**2,190**

There were no assets serving the defined-benefits plan and the cost recognised in the income statement for 2012 and 2013 consisted solely of the financial charges deriving from discounting back the employee leaving indemnity (TFR), totalling EUR 74,000 and EUR 49,000, respectively.

Actuarial assumptions

The annual discount rate used for determining the current value of the obligation was calculated with reference to the IBOXX Eurozone Corporate A index with a +10 duration, consistent with paragraph 78 of IAS 19. To this end, a yield with a duration matching that of all employees being considered was chosen.

The following is a summary of the main assumptions made in the actuarial process:

	31.12.2013	31.12.2012
Discount rate	3.17%	2.40%
Future increases in pensions *(annual rate of TFR increase)*	3%	3%
Expected rate of employee turnover	4.50%	4.50%
Expected rate of advances	1%	1%
Death probability	RG48	RG48

Assumptions regarding mortality are based on the statistics published and mortality tables.

Additional disclosure under the new IAS 19

Below is a sensitivity analysis highlighting the effects that would have occurred regarding changes in the actual amount of liabilities for defined benefit obligations if reasonably possible actuarial assumptions had changed.

Figures shown in €'000s	31.12.2013
Turnover rate +1%	1,932
Inflation rate +0.25%	1,957
Inflation rate -0.25%	1,892
Discount rate 0.25%	1,876
Discount rate -0.25%	1,973

The tables below show an indication of the contribution expected for the following year, the duration of the obligation for defined benefit plans as well as disbursements under the plan.

Figures shown in €'000s	31.12.2013
Service cost 2014	0.00
Plan duration	10.8

Future disbursements expected

Year	*Figures shown in €'000s*
1	164
2	121
3	125
4	142
5	105

20 Provisions for risks and charges

The following table shows the balances at the beginning and end of the year and changes during 2013 in provisions for risks and charges:

Description	Balance as at 31 Dec. 2012	Provisions	Uses	Release of excess allowances	Restatements	Balance as at 31 Dec. 2013
Disputes with personnel:	**551**	**370**	**(468)**			**453**
Claims for higher responsibilities						-
Overtime litigations						-
Labour	*551*	*370*	*(468)*			*453*
Disputes with third parties:	**7,869**	**1,984**	**(3,718)**	**(182)**		**5,953**
Tax disputes	*929*	*129*	*(403)*	*(16)*		*639*
Civil disputes	*6,878*	*1,855*	*(3,280)*	*(140)*		*5,313*
Other charges	*62*	*1*	*(35)*	*(26)*		*2*
TOTAL	**8,420**	**2,354**	**(4,186)**	**(182)**		**6,406**

The provisions shown above were stated in the income statement based on their nature. The release was stated as adjusting the cost item previously affected by the provision.

Main civil and administrative disputes with third parties arisen in previous years

Disputes with agents

With regard to the lawsuits brought by Grandi Stazioni against the agents Publica S.r.l., Spaziale S.r.l., AD S.r.l. and Media & Sport S.a.s., for which the company has requested the ascertainment of the termination of the contracts and ruling requiring the agents to pay damages due to their breach of contract, the expert appraisals relating to the expert witness reports ordered by the judges have been concluded, what is more disputed by Grandi Stazioni.

In the proceedings relating to AD S.r.l., the Genova Court, by means of sentence dated 22 September 2012, declared the termination due to serious breach of Grandi Stazioni of the agency agreement dated 2 February 2004 and, consequently, ordered the company to pay AD a total of EUR 4,418,000 for commissions, FIRR (agents' leaving indemnity), damage compensation, interest and costs. On 24 October 2012, the plaintiff served said sentence on Grandi Stazioni with the related order for payment of the sums awarded. Grandi Stazioni immediately appealed against the sentence requesting a stay of the temporary execution.

By presidential order dated 31 October 2012, the Genova Court of Appeal ordered a stay of the executive nature of the first instance sentence, fixing the hearing for dealing with the injunction on 6 December 2012. By court order dated 19 December 2012, the aforesaid Court ordered the partial suspension of the executive efficacy of the sentence dated 31 October, reserving itself a valuation supplement, solely for the quantum relating to compensation of the damages suffered by AD (EUR 3,605,000).

In view of the foregoing, provisions for risks as at 31 December 2013 relating to AD included a total amount of EUR 3.4 million net of the amounts already paid in January 2013 to the extent of EUR 521,000 (with a partial use of the provisions made in December 2012 totalling EUR 495,000) relating to both interest and expenses as well as the quantification of the risk of unsuccessful outcome that was deemed as probable (also based on the support provided by the independent counsels retained) in respect of the element of the compensation for damages for which partial Stay of the executive efficacy previously mentioned was obtained. The hearing for final submissions was set on 30 October 2014.

As part of the legal proceedings started by Grandi Stazioni against Publica S.r.l. for the purpose of ascertaining the termination of the agency agreement dated 2 February 2004 and the aforesaid company's obligation to make good the damages arising from contract breach, by sentence filed on 23 August 2013 the Milan Court rejected the claims submitted by Grandi Stazioni and upon upholding the counterclaim submitted by Publica declared the agreement as terminated due to the actions and fault of the plaintiff. As a result, Grandi Stazioni was sentenced to pay an overall amount of approximately EUR 9.6 million to Publica, including interest, revaluation and legal costs and net of any amount paid during the proceedings, by way of commission differences, negotiation rights and premiums, indemnities under Section 1751 of the Italian Civil Code of Procedure and damages. Grandi Stazioni however filed an appeal against the sentence requesting a stay of its effectiveness. By deed filed on 28 June 2013, the Milan Court of Appeal made the execution of the offences stated in the sentence conditional on Spaziale providing a first request bank surety to us as a guarantee of the obligation to return all amounts, plus interest, in the event of the appeal being upheld. Following the provision of such surety, the sentence was executed with a payment being made to Publica S.p.A (in liquidation) in December to the extent of EUR 9 million, which - net of the amounts already paid in previous years totalling about EUR 0.5 million and with the fund allocated in December 2012 (EUR 2.6 million approximately) being fully used - resulted in greater charges during the year to the extent of EUR 6.9 million approximately.

On 26 February 2014, the Court postponed the decision in the proceedings, with a deadline being set for conclusions (up to 17 April) and replies, if any (up to 7 May 2014).

In the proceedings started by Grandi Stazioni with the Milan Court to ascertain termination of the agency agreement dated 10 February 2004 and judgement issued against Spaziale to make good damages for breach of contract to an extent to be determined during the proceedings, regarding damages arising only from failure to comply with the requirement to execute the agency agreement pursuant to the instructions given, Grandi Stazioni filed a claim for EUR 383,000.

Spaziale joined the proceedings by way of counterclaim seeking that judgement be delivered in respect of contract termination due to Grandi Stazioni's non-performance and that the plaintiff be sentenced to pay EUR 230,000 plus VAT by way of commissions accrued, EUR 3 million by way of damages for non-performance and earlier termination, and EUR 742,000 by way of agency indemnity under Section No. 1751. By order dated 26 January 2009, the Judge, upon request of Spaziale, ordered Grandi Stazioni to pay the amount of EUR 159,000 plus VAT and interest by way of commissions accrued, pursuant to Section 186(b) of the Italian Code of Civil Procedure.

By judgement dated 2 May 2013, the Milan Court rejected the claims filed by Grandi Stazioni and upon upholding the counterclaim submitted by Spaziale declared the agreement to be terminated for serious non-performance on the part of the plaintiff and, as a result, sentenced Grandi Stazioni to: (i) pay Spaziale the amount of EUR 184,000 by way of direct and indirect commissions, including the amount already acknowledged at the time the order for relief was issued during the proceedings, plus statutory interests arising from the individual due dates to balance; (ii) pay all severance indemnities consistent with contract requirements in the region of EUR 8,000, plus statutory interests from 1 July 2008 to balance, by way of FIRR (reserve for staff leaving) accrued to the date of termination of employment, in addition to EUR 165,000 and statutory interests for indemnities under Section 1751 of the Italian Civil Code of Procedure;

(iii) make good damages suffered as a result of unlawful earlier termination of the agreement between the parties to the extent of EUR 801,000 by way of compensation for loss of earnings due to non-payment of commissions, in addition to statutory interests; (iv) pay the amount of EUR 476,000 by way of non-accrual of indemnity under Section 1751 of the Italian Civil Code of Procedure, plus statutory interests; (v) pay the amount of EUR 28,000 by way of non-accrual of FIRR, plus statutory interests; (vi) reimburse the defendant for the legal costs incurred totalling EUR 25,000 for professional fees, plus statutory ancillary costs, with the plaintiff finally bearing the fees of the technical consultant appointed by the Court.

The Company immediately filed an appeal against the sentence, requesting a stay thereof. By deed filed on 28 June 2013, the Milan Court of Appeal made the execution of the offences stated in the sentence conditional on Spaziale providing a first request bank surety to Grandi Stazioni as a guarantee of the obligation to return all amounts, plus interest, in the event of the appeal being upheld. Following the provision of such surety, the sentence was executed with a payment being made to Spaziale S.p.A (in liquidation) in November to the extent of approximately EUR 1,7 million, which - net of the amounts already paid in previous years totalling about EUR 25,000 and with the fund allocated in December 2012 (EUR 200,000 approximately) being fully used - resulted in greater charges during the year to the extent of EUR 1.45 million approximately.

On 26 February 2014, the Court postponed the decision in the proceedings, with a deadline being set for conclusions (up to 17 April) and replies, if any (up to 7 May 2014).

In the proceedings started by Grandi Stazioni with the Milan Court to ascertain termination of the agency agreement dated 10 February 2004 and the request that Media & Sport be ordered to make good damages for breach of contract to an extent to be determined during the proceedings, regarding damages arising only from failure to comply with the requirement to execute the agency agreement pursuant to the instructions given Grandi Stazioni filed a claim for EUR 170,000 approximately.

Media & Sport joined the proceedings by way of counterclaim seeking that judgement be delivered in respect of contract termination due to Grandi Stazioni's non-performance and that the plaintiff be sentenced to pay EUR 92,000, plus VAT, and EUR 275,000, plus VAT, by way of commissions accrued, EUR 2.6 million by way of compensation for damages arising from contract breach and earlier termination, as well as agency indemnities under Section 1751 of the Italian Code of Civil Procedure to an extent to be determined. With regard to the first claim for compensation, Media & Sport requested that an order for relief be issued during the proceedings for the payment of the amounts as under Sections 186(a) and (b) of the Italian Code of Civil Procedure. The Judge issued the order for payment against Grandi Stazioni, sentencing the latter to pay EUR 92,000.

In the light of the foregoing, provisions for risks and charges were allocated to the extent of EUR 636,000 to cover the risk of an adverse outcome.

Retail Group S.p.A. arbitration

In the arbitration proceedings brought by Grandi Stazioni in July 2010 against Retail Group S.p.A. to ascertain the latter's breach of its obligations under the lease agreement signed on 18 December 2002 and request the Court to declare the actual termination of the lease agreement itself pursuant to Section 1454 of the Italian Code of Civil Procedure, the opinion of a technical expert was requested, of which the

Company had no knowledge yet. The opinion of the defending counsel in the proceedings disclosed a possible risk of adverse outcome in relation to the counterclaims lodged by Retail Group and a probable risk in relation to the damages suffered by the defendant for water leakage in premises located at Milano Centrale station and the removal of two inboxes in Milan station further to a precautionary procedure started by Grandi Stazioni, even though compensation requests appeared to be disputable and not supported by suitable evidence. Provisions as at 31 December 2013, unchanged over the previous year, included an estimate of legal costs. The appraisals related to the expert opinion ordered by the Tribunal were lodged.

CBS Outdoor Ruling

CBS Outdoor Holding, formerly acting as licensee for advertising materials in the railway stations managed by the Company – appealed against ruling No. 240045/2009 whereby the Rome Court had rejected the claims of the aforesaid company whereby the latter requested that Grandi Stazioni be sentenced to make good damages for a civil wrongdoing relating to the failure to authorise the stipulation of certain advertising commissions amounting to approximately EUR 7 million, ordering the plaintiff to pay two-thirds of the trial costs with the remaining one-third to be paid jointly by the parties.

Grandi Stazioni joined the appeal proceedings, with the hearing for final submissions being set on 28 November 2014. In October 2013, the matter was settled out of court with both parties waiving their respective claims and compensation for expenses.

RomArtifico Ruling

By ruling dated 5 May 2011, the Rome Court settled the proceedings brought by Grandi Stazioni to ascertain the termination of the joint venture agreement dated 19 April 2002 with RomArtificio, the return of the premises occupied at Rome Termini station and payment of various amounts totalling EUR 126,000, in addition to compensation of damages deriving from breach and from the release of the property.

The Court dismissed both the claim for damages filed by Grandi Stazioni and the counterclaim lodged by RomArtificio to receive compensation for damages for a total of EUR 16 million. The claim by Grandi Stazioni to receive payment of a number of contractual payments due from RomArtificio, amounting to around EUR 150,000, was also turned down. RomArtificio appealed against the sentence, while Grandi Stazioni S.p.A. filed its appearance before the courts. No changes to report compared to 2012 financial year.

Petition regarding the call for tenders for executive planning and execution of work for the functional upgrading of the station buildings and additional infrastructure work for the railway Venezia S. Lucia, Venezia Mestre and Verona P. Nuova stations.

On 20 October 2010, CIR S.p.A. filed an appeal with the Consiglio di Stato (State Council) against the decision whereby the Regional Administrative Tribunal (TAR) of Lazio had rejected its petition to void - following the discharge of the procedure for inviting the second best bidder in pursuance of Article 140 of Legislative Decree No. 163/2006 – the award of the contract to CMB-Fatigappalti S.p.A joint venture for the executive design and completion of the works relating to the functional upgrading of the station buildings and complementary infrastructural work in Venezia S. Lucia, Venezia Mestre and Verona P. Nuova stations, including the management/maintenance services for the station building works, plants and systems.

By sentence dated 14 November 2012, the State Council - overturning the sentence issued by the Regional Administrative Court of Lazio - declared the pre-contractual responsibility of Grandi Stazioni for having caused the legitimate awarding on conclusion of the tender contract as part of the examination procedure started after the termination of the contract previously entered into with the awardee. The judgement against Grandi Stazioni was limited to just the costs incurred by CIR Costruzioni JV for supplying the documentation requested for the entering into of the contract and 10% of the legal costs to the extent of EUR 8,000 for both levels of proceedings.

On 14 February 2014, CIR Costruzioni filed an appeal with the Supreme Court on jurisdictional grounds.

Tax disputes relating to previous years

On 21 February 2008 the company was served a payment notice for approximately EUR 158,000 for payment of ICP (municipal advertising tax) due mainly to the Rome City Council for the year 2004. Upon deeming the amount claimed by the City Council as not due, on 18 April 2008 the Company filed an appeal with the Rome Provincial Tax Board. By sentence No. 367/16/10 filed on 24 June 2010, the latter partially upheld the appeal and ruled that only the amount of EUR 19,000 was due To date, despite numerous notifications, the City Council has not yet returned the excess amount.

Having settled part of the tax dues pertaining to the lease agreements in 2013, the Company partially used the provisions for risks and charges previously set aside in the region of EUR 220,000. During the first half of 2013, the Company adjusted reserves for agreements being executed to the extent of EUR 129,000.

On 21 December 2011, the Lazio regional department of the Inland Revenue served the company a notice of assessment relating to a full inspection for the tax year 2008, in respect the relevant notice of assessment was served upon parent company GS during 2013, as mentioned in the following paragraph. The Agency ascertained a higher taxable base for IRES (corporate income tax) of EUR 4,215,000, IRAP (regional business tax) of EUR 4,050,000 as well as VAT irregularities totalling EUR 127,000. Upon considering that some of the arguments may be upheld, the Company maintained "provisions for risks and charges" set up at the end of 2012 for an overall amount of EUR 424,000.

On 18 December 2012, the Italian Inland Revenue - Lazio Regional Department - Major Taxpayers Office served a notice of assessment on the Company in which a higher taxable income for IRAP (regional business tax) and IRES (corporate income tax) was assessed for 2007 fiscal year (EUR 4,971,000, and consequently requested the payment of additional tax to the extent of EUR 247,000 (IRAP) and EUR 1,640,000 (for IRES), plus fines and interest. It should be emphasised that the IRES notice of assessment was served on parent company Ferrovie dello Stato Italiane S.p.A. as a result of the tax consolidation scheme linking the two companies; on 28 January 2013, the parent company submitted a specific request for using unused tax losses under the consolidation scheme, as a result of which the parent company was granted a further sixty day period to lodge an appeal as appropriate. The higher value of production derives from the disputed deductibility of the amounts paid to the supplier Vidion by virtue of the associate investment contract concerning the management of the advertising exploitation activities in the station complexes. After a series of attempts for cordial settlement which were unsuccessful, the company filed - on 15 February 2013 - a petition before the Rome Provincial Tax Commission, in which it requested the cancellation of the IRAP notice of assessment. Since the company takes part in the tax consolidation scheme of the parent company Ferrovie dello Stato Italiane S.p.A., on 28 January 2013 it presented a request to use IRES losses, extending the deadline for presenting an appeal by a further 60 days, such appeal being filed on 16 April 2013. Given that, on the basis of the information currently available, the company deems the risk of losing to be merely possible, it decided not to make any provision.

Tax disputes arising during the year

On 2 July 2013, the Italian Inland Revenue - Lazio Regional Department - Major Taxpayers Office served a notice of assessment on the Company in which a higher taxable income for IRAP (regional business tax) and IRES (corporate income tax) was assessed for 2008 fiscal year (EUR 4,223,000, and consequently requested the payment of additional tax to the extent of EUR 191,000 (IRAP) and EUR 1,162,000 (for IRES), plus fines and interest. It should be noted that the notice of assessment on corporate income tax (IRES) was notified to parent company Ferrovie dello Stato Italiane S.p.A under the tax consolidation scheme linking the two companies.

On the same date, the Italian Inland Revenue - Lazio Regional Department - Major Taxpayers Office served a notice of assessment in which a higher taxable income for VAT was assessed for 2008 fiscal year amounting to EUR 127,000, plus fines and interest.

With regard to both positions, consistent with actions undertaken for 2007 fiscal year, on 11 October 2013 and 11 December 2013 the Company filed appeals for the notices of assessment pertaining to regional tax (IRAP) and corporate income tax (IRES), respectively, against the deed being reviewed by the Provincial Tax Board of Rome, requesting that all such notices be cancelled.

The hearing on the merits of the appeal was yet to be fixed.

Based on the information currently available and with respect to the identity of the findings pertaining to the two years, the Company considers the risk of adverse outcome as only possible and, as a result, did not deem it apposite to make any provision in respect of the findings relating to the joint venture.

Main disputes with personnel

Proceedings involving former consultants

On 26 July 2011, a former consultant of the Company filed a petition with the labour tribunal pursuant to Section 414 of the Italian Code of Civil Procedure in order that the tribunal may acknowledge (i) his relationship with the Company as an employment relationship effective 28 December 1998 and ending on 31 December 2008, (ii) his right to be qualified as a manager based on the collective labour agreement for executives working in the tertiary sector or, alternatively as a middle manager, and (iii) sentence the company to pay remuneration differences, TFR (leaving indemnity) differences, compensation for unjustified termination, plus related charges, totalling EUR 927,000. The Company joined proceedings and requested the appeal to be rejected.

By judgement filed on 9 May 2013, upon partly upholding the claimant's demands the Rome Court ascertained and judged as subordinate the nature of the employment relationship between the parties throughout the period under review, sentencing the Company to pay the amounts due for various reasons to the claimant totalling EUR 250,000, in addition to fulfilling social security obligations. Following the judgement, the EUR 250,000 provisions previously allocated were used and further provisions were allocated to the extent of EUR 253,000.

The judgement was enforced, but the Company appealed against it.

On 7 December 2011, a former consultant of the Company filed an appeal to the labour tribunal pursuant to Section 414 of the Italian Code of Civil Procedure in order that the tribunal may (i) acknowledge his relationship with the company as an employment relationship effective 1 June 2003, (ii) his right to be qualified as a manager based on the collective labour agreement for company managers working in the trade sector, and (iii) sentence the company to pay compensation for unjustified termination, TFR (leaving indemnity), professional damages from demotion, moral damages, totalling EUR 552,000. The Company joined proceedings and requested the appeal to be rejected. The dispute was settled as per judicial settlement report signed on 14 February 2013 pursuant to which Grandi Stazioni, without in any way acknowledging the grounds of the claims and demands put forth by the claimant, paid - by way of general novation settlement - the total gross amount of EUR 125,000, plus legal costs totalling EUR 10,000. As a result of the above settlement, provisions totalling EUR 135,000 were fully used as at 31 December 2013.

By means of non-final sentence filed on 9 March 2010, the Rome Court ordered Grandi Stazioni to pay fees for the supply of professional services as project manager to a former consultant. The expert appointed by the Judge quantified the amount due by way of compensation as approximately EUR 98,000.

The Company appealed against the judgement and, having considered the risk of an adverse outcome as likely, it deemed it apposite to maintain some provisions and allocate further provisions for risks in the region of EUR 39,000 for legal fees and interest.

21 Current and non-current financial liabilities (including derivatives)

Below is a breakdown of non-current financial liabilities:

	Book value					
	31.12.2013		31.12.2012		Changes	
	Non-current	Current	Non-current	Current	Non-current	Current
Financial liabilities						
Financial hedging derivatives	7,122	32	10,588	56	(3,466)	(24)
	7,122	**32**	**10,588**	**56**	**(3,466)**	**(24)**

The financial instruments pertained to two interest rate swaps entered into during the course of 2009 and one derivative agreement (Collar) entered into in 2010 by the ultimate parent undertaking to hedge the risk of changes in interest rates deriving from the loan agreement with the EIB. The item also included the fair value of the derivative agreement entered into by subsidiary Grandi Stazioni Ceska in the first half of 2012 to hedge the risk of a change in interest rates arising from the loan with Unicredit Bank Austria A.G., as mentioned in detail in note 19.

All the aforesaid agreements qualified as cash flow hedge agreements, as a result of which the book value represents the fair value established at year end and was reflected in a specific item in shareholders' equity.

22 Other current and non-current liabilities

Other non-current and current liabilities are shown below:

	31.12.2013		31.12.2012		Changes	
	Non-current	Current	Non-current	Current	Non-current	Current
Amounts due to social security and welfare institutions	86	1,378		1,334	86	45
IRES (corporate income tax) for tax consolidation due to FSI		47				47
Other tax payables		3,213		1,887		1,326
VAT payables		2,292		2,127		164
Other payables due to Group companies	772		1,288		(516)	
Other payables	972	2,092	1,068	2,136	(96)	(44)
Accrued expenses and deferred income	2,945	1,545	3,502	855	(557)	690
Total	**4,775**	**10,569**	**5,858**	**8,338**	**(1,083)**	**2,231**

Other non-current liabilities mainly consisted of: payables to parent companies concerning the balance due to Ferrovie dello Stato Italiane S.p.A. in respect of the IRPEG (corporate income tax) credit transferred by the latter to Grandi Stazioni S.p.A. in 2004, as already mentioned under "other non-current assets" (note 11). "Other payables" referred to deposits provided by tenants to guarantee fulfilment of the lease agreements. Accrued expenses and deferred income referred to income from lease fees paid in advance by customers and suspended for the portion pertaining to future periods.

Other current liabilities mainly referred to: payables to social security and welfare institutions (EUR 1,378,000); withholdings made at the end of the year and settled during January 2014 (EUR 3,213,000); VAT payable to FS Holding which became due as part of the Group consolidated VAT scheme which the Italian companies of the Grandi Stazioni Group subscribed to at the beginning of the period (EUR 2,014,000) and which they renewed for 2014 as well; other amounts accrued but not paid essentially due to employees; accrued expenses and deferred income mainly referring to revenue shares pertaining to 2013 regarding the repayment of expenses invoiced during the period which will be reflected in the income statement based on the term of the lease agreement in question.

23 Current and non-current trade payables

Trade payables are analysed as follows:

	31.12.2013	31.12.2012	
	Current	Current	Changes
Payables to suppliers	72,310	76,214	(3,904)
Payables for construction contracts	242	378	(136)
Trade payables to Group companies	25,064	31,011	(5,947)
Total	**97,616**	**107,603**	**(9,987)**

The change in trade payables compared to 31 December 2012 was due to a gradual readjustment of supplier's payment terms made during the year as well as a reduction in the Group's investment purchases during the period.

24 Tax payables

This item amounted to EUR 80,000 as at 31 December 2013 and pertained to income taxes accrued by foreign subsidiary GS Ceska Republika in 2013. It should be noted that Grandi Stazioni and Grandi Stazioni Ingegneria elected to participate in the national tax consolidation scheme of the Ferrovie dello Stato Italiane Group for the 2013-2015 three year term.

	31.12.2013	31.12.2012	Change
IRAP (REGIONAL BUSINESS TAX)		7	(7)
IRES (corporate income tax) - foreign companies	80	118	(38)
Total	**80**	**125**	**(45)**

Review of the consolidated income statement items

Below is a review of the consolidated income statement items for 2013 as benchmarked against the previous year: It should be stressed that in order to ensure a better comparison with the current year, a number of restatements were made in 2012 as detailed in the following notes.

TOTAL REVENUES AND INCOME

Total revenues and income for 2013 stood at EUR 205,774,000, up EUR 6,021,000 compared to the previous year. A breakdown of this item is shown below:

25 Revenues from sales and services

This item amounted to EUR 201,839,000 and is broken down as follows:

	2013	2012	Changes
Revenues from sales and services			
✓ *Long-term lease revenues*	96,936	94,143	2,793
✓ *Engagement activities and special installations*	5,225	4,247	978
✓ *Revenues from lease costs*	76,333	70,095	6,239
✓ *Revenues from design and works management activities*		7	(7)
✓ *Revenues from management of advertising space*	13,727	15,251	(1,524)
✓ *Revenues from customer services*	7,286	10,340	(3,054)
✓ *Change in work in progress*	2,332	2,296	36
Total	**201,839**	**196,378**	**5,461**

Revenues from leases (pertaining to the Ferrovie dello Stato Italiane Group to the extent of 29%) increased following (i) the commissioning of a number of new commercial areas, with special reference to the stations located in Milan, Turin, Naples, Venice, Florence, Bologna and the new Roma Tiburtina station, and (ii) a reduction in vacancy in Rome station. The balance as at 31 December 2013 also included contingent liabilities recognised following the normal review of the estimates in the adjustments provided in the previous period totalling EUR 174,000. Revenues generated by Grandi Stazioni Ceska Republica also rose by approximately EUR 160,000 year over year due to the additional premises leased during the period.

“Revenues for lease costs” (around 84% of which referred to Ferrovie dello Stato Italiane Group companies), rose in relation to the increase in areas managed and increases in related costs to be allocated. The balance included contingent liabilities totalling EUR 238,000 due to revised estimates.

There was an increase in revenues from “Engagement activities and special installations”. After a downturn, this item started showing an uptrend with customers displaying greater preference for innovative forms of digital promotion compared to the traditional advertising channels which, accordingly, showed a downtrend. It should be stressed that the balance included contingent liabilities totalling about EUR 93,000 due to revised estimates.

The drop shown in "customer services" (EUR 3,054,000 approximately) was mainly due to luggage storage operations, which were outsourced as of February 2013 through the execution of an appropriate agreement.

The net change in work in progress amounting to EUR 2,332,000 showed a year-over-year EUR 36,000 increase, chiefly due to a greater amount of work completed mainly for RFI and Trenitalia associated companies. A breakdown of the changes reported during the year is provided below:

Description	2013	2012	Changes
Increase during the period	2,801	2,304	497
Recovery of previous years' losses	128	72	56
Writedown for future losses	(597)	(80)	(517)
Total	**2,332**	**2,296**	**36**

The change in work in progress in 2013 was accounted for using the cost to cost method and referred to the assessment of the progress of the amounts due during the year for the technical activities required to complete renovation, restructuring, maintenance and enhancement works in the building complex of 14 stations under consolidated management. The aforementioned change was shown net of the recoveries and losses forecast for subsequent years referring to their completion, which are reviewed individually.

26 Other revenues and income

Other income amounted to EUR 3,935,000 and increased by EUR 560,000 compared to 2012. A breakdown is provided below:

	2013	2012	Changes
Other income			
✓ *Sundry reimbursements*	3,102	2,873	229
✓ *Ordinary capital gains*	81	1	80
✓ *Other income*	752	501	251
Total	**3,935**	**3,375**	**560**

The main changes in this item pertained to: (i) sundry reimbursements mainly relating to income from the reimbursement of expenses that Grandi Stazioni incurred to improve the qualitative or functional standards provided in the stations, such income being invoiced during the year and deferred according to the number of years contemplated in the relevant lease agreements (totalling EUR 1,704,000 approximately); (ii) the recovery of expenses relating to promotional and advertising activities carried out within the stations on behalf of the tenants (totalling EUR 2,062,000 approximately); (iii) other income, with special reference to greater penalties applied by GS parent company to suppliers for station services (totalling EUR 299,000 approximately); (iv) revenues reported by subsidiary Grandi Stazioni Ceska Republica for sanitation services (totalling EUR 400,000 approximately); capital gains on the disposal of some assets by the parent company (totalling EUR 81,000 approximately).

27 Payroll and related costs

This item amounted to EUR 18,542,000, up by EUR 926,000 compared to 2012. A breakdown is provided below:

	2013	2012	Changes
Permanent staff	**17,373**	**17,470**	**(97)**
✓ *Wages and salaries*	12,825	12,640	185
✓ *Social security charges*	3,886	3,701	185
✓ *Other payroll and related costs for permanent staff*	(170)	264	(434)
✓ *Employee leaving indemnities*	832	865	(33)
Freelance staff and Co-workers	**786**	**963**	**(177)**
✓ *Wages and salaries*	434	577	Subsidiary companies
✓ *Social security charges*	63	69	(6)
✓ *Seconded staff*	270	266	4
✓ *Other costs for Freelance staff and Co-workers*	19	51	(32)
Provisions / (Releases)	**383**	**(817)**	**1,200**
✓ *Provisions/(Releases)*	383	(817)	1,200
Total	**18,542**	**17,615**	**926**

This amount included all employee costs, including promotions, transfers from one level to another, statutory provisions and provisions for bonuses and incentives accrued as part of the merit-based personnel policy as well as provisions and releases for the related risks and charges.

The main changes occurred in 2013 included: increases in payroll and related costs due to contract rises, greater additional benefits and overtime; "other payroll costs for permanent staff", chiefly due to the combined effect of a decrease in training costs and meal coupons, an increase for contingent assets resulting from ordinary estimate updates and greater additional amounts paid to staff leaving. Provisions/releases reflected the net balance emerging at year end, with special reference to certain disputes outstanding that resulted in net provisions for of EUR 383,000 compared to a EUR 817,000 release in the previous year, with details being provided under note 20 "provisions for risks and charges" as aforesaid.

It should be noted that in the previous year "other costs for permanent staff" were restated in the region of EUR 13,000 due to disputes and litigations with employees, such costs being previously held under "other operating costs".

Freelance staff and co-workers included the cost of seconded personnel and temporary work.

The Group's average headcount expressed as FTE in 2013 amounted to 272.1 employees as shown below by level:

HUMAN RESOURCES	Average FTE 2013	Average FTE 2012	Change
Executives	15.0	15.0	
Middle management	47.6	45.5	2.1
White-collars	197.2	199.4	(2.2)
TOTAL PERMANENT STAFF	**259.8**	**259.9**	**(0.1)**
Atypical workers	12.3	14.4	(2.1)
TOTAL	**272.1**	**274.3**	**(2.2)**

28 Raw, ancillary and consumable materials and goods for resale

This item stood at EUR 147,000, down by EUR 25,000 compared to the previous year following some savings achieved during the year. A breakdown is provided below:

	2013	2012	Changes
Materials and consumables	142	166	(24)
Fuel and lubricants	5	6	(1)
Total	**147**	**172**	**(25)**

29 Costs for services

Costs for services amounted to EUR 89,000, up by EUR 1,589,000 compared to the previous year. A breakdown of this item is shown in the table below:

	2013	2012	Changes
Contracted services and work	**72,591**	**65,273**	**7,319**
- Services - Security	9,501	7,961	1,539
- Cleaning and other services contracted out	21,268	19,586	1,682
- Maintenance	21,146	17,897	3,250
- Utilities	20,677	19,829	848
Miscellaneous services:	**16,641**	**22,371**	**(5,730)**
- Consulting	159	172	(13)
- Engineering services	2,765	832	1,933
- Professional services	1,632	2,086	(454)
- Utilities	1,144	1,295	(151)
- Travel and business trips	466	627	(161)
- Insurance premiums	1,097	1,032	65
- IT-IT services	901	945	(45)
- Commissions	2,513	2,226	287
- Remuneration of corporate bodies	300	289	11
- Advertising and promotional expenses	647	1,150	(503)
- Other services by third parties	2,132	4,587	(2,455)
- Costs for customer services	2,817	5,080	(2,263)
- Postal expenses and freight transport	63	101	(38)
- Provisions / (Releases)	7	1,950	(1,943)
Total	**89,233**	**87,644**	**1,589**

Year-over-year costs for services and work tendered showed an overall increase in all related cost items, due to greater services provided, price adjustments (including retroactive adjustments) and the inclusion of operating costs for Tiburtina station.

The main changes in sundry services pertained to an increase in engineering services and commissions to media agents, while other services by third parties showed a decrease as a result of a reduction in the (i) fees acknowledged for media services relating to activities supporting the operation of dedicated equipment, (ii) advertising and promotional costs, (iii) customer service costs due to the outsourcing of the luggage storage service, and (iv) provisions for risks and charges.

It should be stressed that for the purpose of providing a better disclosure of costs, 2012 detailed items were in some cases restated.

30 Costs for use of third party assets

This item amounted to EUR 40,048,000, up by EUR 849,000 compared to 2012. A breakdown is provided below:

	2013	2012	Changes
Operating lease fees	1,364	1,307	57
Reconveyance fee to RFI S.p.A.	11,917	11,635	282
Reconveyance fee to FS Italiane S.p.A.	26,552	26,041	511
Reconveyance fee to v/FS Sistemi Urbani S.p.A.	183	179	4
Other rentals and leases	33	37	(4)
Total	**40,048**	**39,200**	**849**

The net increase in reconveyance fees was directly connected to the increase in lease revenues recognised in the period. It should be highlighted that following the spin-off completed in 2012 whereby part of the properties located in Milano Centrale, Napoli Centrale, Roma Termini and Torino Porta Nuova stations previously owned by Rete Ferroviaria Italiana were transferred to Ferrovie dello Stato Italiane, a significant portion of the fee was reconveyed to FS Italiane ultimate parent undertaking.

Operating lease fees essentially included the release of the advance lease fees incurred by subsidiary Grandi Stazioni Ceska. The book value of these fees included all the direct costs incurred for the renovation of the Praha - Hlavní nádraží and Mariánské Lázně railway stations. These costs were initially suspended under "other non-current assets" and recognised in the income statement on a straight-line basis over the duration of the operating lease with České dráhy, a.s. These costs were stated in the subsidiary's income statement starting from 2008. The operating lease fees concerning subsidiary Grandi Stazioni Ceska reflected in the 2013 and 2012 income statements came in at EUR 1,353,000 and EUR 1,302,000, respectively. The duration of the subsidiary's lease is 30 years as from the final test and inspection envisaged for the refurbishment phase. The costs suspended as advance lease fees, stated under other non-current assets as per note 12, mainly included construction costs as well as design costs, insurance and other costs directly attributable to the renovation of the station complexes, inclusive of financial charges, management fees and assignment fees paid during the renovation period and over the duration of the lease.

31 Other operating costs

Other operating costs stood at EUR 15,737,000, up by EUR 5,745,000 compared to 2012. A breakdown is provided below:

	2013	2012	Changes
Sundry taxes and duties	5,936	5,463	473
Fines, sanctions and similar	197	307	(110)
Subscriptions and membership fees	133	83	50
Capital losses on disposal of fixed assets	22	1	21
Disputes and litigation	7,712	514	7,198
Other operating costs	99	198	(99)
Provisions / (Releases)	1,638	3,424	(1,786)
Total	**15,737**	**9,991**	**5,745**

The main changes pertained to: (i) an increase in sundry taxes and dues, with special reference to greater costs incurred for IMU (municipal property tax), stamp duties on lease agreements and annual tax on advertising equipment; (ii) the settlement of disputes and litigations with former agents totalling EUR 7,712,000 relating to amounts that exceeded provisions allocated previously; (iii) additional net provisions for other ongoing disputes and litigations totalling EUR 1,638,000 by way of compensation for damages mainly on leasing and "media" operations .

It should be noted that in the previous year the specific balance sheet item was restated in the region of EUR 13,000 for disputes and litigations with employees, as mentioned earlier.

32 Costs for in-house work capitalised

Costs for in-house work capitalised amounted to EUR 3,078,000 as at 31 December 2013, showing a EUR 344,000 year over year decrease. The amount referred to the capitalisation of costs that were directly related to the investment underway in the stations managed by the Group.

33 Amortisation and depreciation

This item came in at EUR 16,705,000, up by EUR 5,660,000 compared to 2012. A breakdown is provided below:

	2013	2012	Changes
✓ Amortisation of intangible assets	542	349	194
✓ *Depreciation of tangible assets*	16,162	10,696	5,466
Total	**16,705**	**11,045**	**5,660**

The increase in the amortisation of intangible assets was mainly due to the investments made in the related fixed asset item. The significant increase shown in amortisation of tangible assets was due to the many investments that came on stream, with special reference to renovation work carried out in Venezia Santa Lucia and Firenze Maria Novella stations, other work completed in Roma Termini and Torino Porta Nuova stations, as well as the recovery of prior amortisation due to Genova property being transferred from assets held for sale to investment property.

34 Writedowns and impairment losses (writebacks)

A breakdown of this item is provided below with respect to both group companies and third parties:

	2013	2012	Changes
Depreciation of property, plant and equipment	380		380
Adjustments and value writebacks on receivables	6,538	1,261	5,276
Group	*300*	*(170)*	*470*
Third parties	*6,237*	*1,431*	*4,806*
Total	**6,918**	**1,261**	**5,656**

Depreciation of property, plant and equipment was due to EUR 380,000 being restated under the income statement, such amount referring to costs incurred for preliminary and final designs that did not feed into executive investment projects.

The writedown of receivables held under current assets was based on a careful analysis thereof and the degree to which such receivables were recoverable. It should be stressed that with regard to third-party customers, an amount of EUR 1,763,000 was written down in respect of default interest due to late payment accrued as under Legislative Decree No. 192/2012 implementing Directive 2011/7/EU.d. and held under financial income.

35 Provisions for risks and charges

As in the previous year, this item showed a nil balance inasmuch as no provisions to be allocated to this specific income statement item were made during the year under review either.

36 Financial income

As at 31 December 2013, financial income stood at EUR 1,902,000, down EUR 1,550,000 compared to the previous year. A breakdown of financial income is shown below:

	2013	2012	Changes
Interest income on bank deposits	49	218	(169)
Interest income from parent companies	5	115	(110)
Exchange gains	1	4	(3)
Sundry financial income	1,847	15	1,832
Total	**1,902**	**351**	**1,550**

"Interest income on bank deposits" referred to the interest income accrued during the year on bank deposits. Compared to the previous year, there was a decrease in the average liquidity and a significant decrease in the interest rates acknowledged.

"Interest income from parent companies" referred to the interest income from the intercompany current account held with Ferrovie dello Stato Italiane S.p.A., the terms and conditions of which are shown in detail under note 14 "current and non-current financial assets (including derivatives)."

Sundry financial income chiefly pertained to default interest accrued from customers for late payment as under Legislative Decree No. 192/2012 implementing Directive 2011/7/EU.d., of which EUR 1,763,000 assessed as at 31 December 2013 and written down via an appropriate allowance for trade receivables, such amount referring to interests accrued but not yet paid to the Company.

37 Financial expense

As at 31 December 2013, financial expense amounted to EUR 5,063,000, down by EUR 1,082,000 compared to the previous year. A breakdown of financial expense is provided below:

	2013	2012	Changes
Default interest	715	79	636
Interest expense on long-term loans	2,450	4,736	(2,287)
Financial expense on derivatives	2,203	1,516	686
Sundry financial expense	163	91	71
Exchange losses	3	13	(10)
Capitalised financial charges	(614)	(909)	295
Provisions and (releases)	143	619	(475)
Total	**5,063**	**6,145**	**(1,082)**

Interest payable on long-term loans pertained to interests due on the mortgages taken out by the ultimate parent undertaking with Intesa San Paolo (formerly Banca Infrastrutture Innovazione e Sviluppo) and on long-term loan agreements with Unicredit and EIB (European Investment Bank). For further details please see note 19 “medium/long-term loans.” The significant decrease compared to 2012 was due to the considerable drop in the 6-month Euribor rate (*basis for the calculation of the cost of financial funding*), as well as the decrease in borrowing recorded during the period due to repayments made on mortgages and on the EIB loan. Please see note 19 regarding financial expenses on derivatives. It should be noted that financial expense was stated net of capitalisation of property, plant and equipment, totalling EUR 614,000 in 2013 and EUR 909,000 in 2012.

Releases related to the financial component of provisions pertaining to the dispute with former media agents as already outlined in note 20 "Provisions for risks and charges".

38 Income taxes

As at 31 December 2013, income taxes amounted to EUR 8,301,000, down by EUR 1,632,000 compared to the previous year essentially due to a drop in pre-tax profit.

A breakdown of income taxes is provided below:

	2013	2012	Change
Current taxes			
IRAP (REGIONAL BUSINESS TAX)	1,990	2,486	(496)
IRES (corporate income tax)	8,218	11,322	(3,104)
Adjustments relating to previous years	(5)	(829)	824
Deferred and prepaid taxes	(1,902)	(3,047)	1,144
Total	**8,301**	**9,933**	**(1,632)**

The statement of reconciliation between the effective tax liability and the theoretical tax liability for IRES is shown below:

	IRES (corporate income tax)			
	2013		2012	
	Taxable amount	Taxation	Taxable amount	Taxation
Pre-tax profit	18,392		30,441	
Theoretical tax liability		**5,058**		**8,495**
Theoretical tax rate		27.50%		27.50%
Temporary differences deductible in subsequent years	19,001	5,225	17,719	4,873
Previous years' temporary differences	(11,016)	(3,029)	(7,644)	(2,102)
Taxable permanent differences	(3,323)	(914)	(1,626)	(447)
Deductible permanent differences	6,830	1,878	1,832	504
IRES (corporate income tax)	**29,884**	**8,218**	**41,172**	**11,322**
Effective tax rate		44.68%		36.65%
IRAP (REGIONAL BUSINESS TAX)		**1,990**		**2,486**
previous years' taxes				
Adjustments relating to previous years		**(5)**		**(829)**
Total deferred taxation		**(1,902)**		**(3,047)**
Total taxation		**8,301**		**9,933**

Other information

39 Contractual commitments and guarantees

Guarantees granted to third parties are shown below:

Description	31.12.2013	31.12.2012	Change
RISKS			
Sureties			
- provided to other affiliated companies		116	(116)
- provided to third parties	2,600	2,500	100
TOTAL	**2,600**	**2,616**	**(16)**
COMMITMENTS			
Contracts with deferred execution	21,000	21,000	
TOTAL	**21,000**	**21,000**	
TOTAL MEMORANDUM ACCOUNTS	**23,600**	**23,616**	**(16)**

This amount pertained to:

- A EUR 100,000 surety provided by Intesa San Paolo to Rete Ferroviaria Italiana S.p.A for the award, on an exclusive basis, of advertising operations on behalf of third parties within RFI property, expiring on 5 March 2014;
- A EUR 500,000 surety issued by Intesa-San Paolo to the Venice Municipal Authority (Direzione Centrale Sportello Unico) - originally expiring on 10 September 2008 and tacitly renewed on a yearly basis - guaranteeing the restoration work under way on the former divisional building in Venice (EUR 500,000), with automatic renewal until receipt of the release communication from the Municipal Authority;
- EUR 2 million for a surety issued by Intesa-San Paolo on behalf of Rete Ferroviaria Italiana S.p.A., guaranteeing the exact and complete fulfilment of the contractual obligations further to the awarding the concession for the economic exploitation of the Rome Tiburtina building complex throughout the contract term;
- EUR 21 million, plus VAT and interest, pertaining to a commitment to execute a leasing agreement with Metropolitana di Napoli SpA regarding the portion of the property comprising the Galleria Commerciale, currently being built. The aforesaid amount referred to the payment of an advanced fee to be paid in the first months of 2015, in conjunction with the date of delivery. Formalities were being dispatched to provide a surety to Metropolitana di Napoli S.p.A for Grandi Stazioni S.p.A's commitment to execute the leasing agreement.

40 Potential assets and liabilities

For details on “Provisions for risks and charges”, reference should be made to note 20.

Furthermore, there were no potential assets for which an increase in assets was deemed probable.

41 Remuneration of corporate bodies

The overall remuneration due to Directors, members of the Board of Statutory Auditors and the Supervisory Body for their services is illustrated below. The remuneration also included the fee paid to the CEO of the parent company in his capacity as company executive.

RECIPIENTS	2013	2012	Change
Directors	907	898	9
Statutory auditors	73	57	15
Supervisory Body	28	20	8
TOTAL	**1,008**	**976**	**32**

42 Independent auditors' fees

It should be stressed that pursuant to Article 37, paragraph 16 of Legislative Decree No. 39/2010 and letter 16(a) of Section 2427 of the Italian Civil Code of Procedure, fees due to the independent auditors totalled EUR 92,000 (plus expenses) for audit tasks performed on the 2013 financial statements and EUR 8,000 for additional services.

43 Related parties

Transactions with executives holding key roles

The remuneration of individuals holding key roles is shown in the table below. The schedule was prepared with regard to the period in which the office was held and on an accruals basis.

	2013	2012	Changes
Short-term benefits	2,656	2,594	62
Benefits due to employees for termination of the employment relationship	105	103	2
Total	**2,761**	**2,697**	**64**

During the periods under review, a total of 10 executives could be classified as Executives holding key roles (including the CEO and a manager seconded by Ferrovie dello Stato Italiane S.p.A.).

It should be noted that all key executives stated that during the period they did not carry out any transaction, either directly or through close family members, with companies belonging to the Ferrovie dello Stato Italiane group or companies that are directly or indirectly owned by the latter.

Other transactions with related parties

Dealings between Grandi Stazioni and other related parties take place based on material fairness principles with a view to a mutual financial benefit under normal market conditions, which are identified through the support of independent professionals, if required.

Intercompany transactions conducted within the Ferrovie dello Stato Italiane Group, to which Grandi Stazioni belongs, pursue the common goal of creating value. These processes and transactions take place according to industry-specific statutory and tax provisions, in compliance with the guidelines of the supervising Ministries and taking into account the characteristics and peculiarities of the activities carried out by many companies in the Ferrovie dello Stato Italiane Group.

Below is a summary table representing the main receivable and payable transactions during the year with subsidiaries, parent companies and other affiliated companies. Dealings with the company exercising management and coordination activities and with the companies subject to these management and coordination activities are also highlighted.

Company name	Receivable transactions	Payable transactions
Parent companies		
Ferrovie dello Stato Italiane (a)	Commercial and other: tenancy costs occupancy of complexes occupancy indemnity reimbursements media IRES tax consolidation scheme Financial: intercompany current account interest	Commercial and other: service remuneration of corporate bodies payable for transfer of tax credit seconded staff VAT consolidation scheme reconveyance fee Employee leaving indemnities (TFR) Financial: commission
Affiliated companies		
Trenitalia (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes leases reimbursements media	Commercial and other: advance payments on engineering work and travel account
Rete Ferroviaria Italiana (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes engineering fees reimbursements leases	Commercial and other: reconveyance fee advance payments on engineering work utilities
Ferservizi (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes reimbursements	Commercial and other: Employee leaving indemnities (TFR) Fee
Trenord (b)	Commercial and other: tenancy costs leases reimbursements	
Ataf Gestioni (b)	Commercial and other: tenancy costs leases reimbursements	
FS Sistemi Urbani (b)	Commercial and other: tenancy costs	Commercial and other: reconveyance fee
Fercredit (b)		Commercial and other: receivable factoring
Thello (b)	Commercial and other: tenancy costs leases Media	
Italferr (b)	Commercial: tenancy costs leases	Commercial and other: tax liabilities
Terminali Italia (b)		Commercial and other: Employee leaving indemnities (TFR)
Metropark (b)	Commercial and other: reimbursements leases facility	Commercial and other: Services equipment hire

Company Name	Receivable transactions	Payable transactions
Other related parties		
Anas	Commercial and other: leases tenancy costs	
Poste Italiane	Commercial and other: tenancy costs leases reimbursements	Commercial and other: Services
Eni		Commercial and other: Services
Enel		Commercial and other: Services
Mario Negri Fund		Commercial and other: welfare fund
Cassa Depositi e Prestiti		Financial and other: commission

(a) Company performing management and co-ordination activities (immediate parent undertaking)
(b) Company subject to management and co-ordination activities of (a)

Trade and other dealings

The balance sheet and income statement balances deriving from the dealings outlined above are shown below (in €'000s).

Company name	31.12.2013				2013	
	Receivables	Payables	Purchases for investments	Guarantees and Commitments	Costs	Revenues
Parent companies						
Ferrovie dello Stato Italiane	1,074	21,286			27,170	1,748
Other affiliated companies						
Trenitalia	7,559	112			153	30,387
Rete Ferroviaria Italiana	18,393	5,189	95,494		12,093	55,761
Ferservizi	1,809	224			5	3,042
Fs Sistemi Urbani	7	7			183	7
Italferr	249		5			393
Metropark	45	336	41		380	
Trenord	92					107
Fercredit		477				
Thello						91
Ataf Gestioni (b)	56					148
Terminali Italia		1				
Total other affiliated companies	**28,210**	**6,346**	**95,540**		**12,814**	**89,936**
Other related parties						
Anas S.p.A.	249					4,763
Poste Italiane S.p.A.	52				25	377
Eni S.p.A.		2,567			4,072	
Mario Negri Fund		61			128	
Enel S.p.A.		66			346	
Total other related parties	**301**	**2,694**			**4,571**	**5,140**
TOTAL	**29,585**	**30,326**	**95,540**		**44,555**	**96,824**

Financial dealings

Dealings with the companies belonging to the Group were mainly of a commercial nature and, therefore, the costs and revenues and the related payables and receivables referred to: the leasing of stations areas, reimbursement of accessory costs, recovery of costs for seconded personnel, supply of general group services and business travel services.

Lastly, it should be pointed out Ferrovie dello Stato Italiane S.p.A. and Grandi Stazioni S.p.A. maintain a shared intercompany bank account where receipts and payments flow in respect of financial dealings with FSI, Ferservizi, Italferr, RFI and Trenitalia. As at 31 December 2013, the balance of the intercompany current account stood at EUR 13,785,083.

The balance sheet and income statement balances deriving from the aforesaid dealings are shown below (in €'000s).

Company name	31.12.2013			2013	
	Receivables	Payables	Guarantees and commitments	Expense	Income
Parent companies					
Ferrovie dello Stato Italiane	13,785				5
Other related parties					
Cassa Depositi e Prestiti				260	
TOTAL	**13,785**			**260**	**5**

By Resolution dated 28 February 2013, the Board of Directors of ultimate parent company Grandi Stazioni S.p.A and its Italian subsidiary Grandi Stazioni Ingegneria S.r.l, in conjunction with ultimate parent company FSI, decided to adopt the national tax consolidation scheme for the 2013-2015 three-year term as drawn up by parent company Ferrovie dello Stato Italiane S.p.A pursuant to Article 117 of the Consolidated Act on Income Tax.

44 Post-period end review

On 17 January 2014, the Company submitted application No. 17 to the Ministry of Infrastructure and Transport - Mission Technical Department - for the disbursement of the CIPE grant relating to the 1st Programme of Strategic Works - Grandi Stazioni Programme (known as "Legge Obiettivo") for an amount of EUR 5,427,000.

By judgement dated 22 January 2014, the Milan Court acknowledged the termination of the agency agreement entered into with Media & Sport for serious breach of Grandi Stazioni, sentencing the latter to pay an overall amount of approximately EUR 521,000 by way of settlement of commissions, indemnities under Section 1751 of the Italian Civil Code of Procedure, compensation for damages, plus interest, revaluation and expenses already reflected in provisions for risks and charges as at 31 December 2013.

On 27 January 2014, the amount of EUR 10 million was repaid to Intesa San Paolo as a partial repayment of the short-term loan agreement (hot money) signed on 27 November 2013 for an overall amount of

EUR 15 million. With regard to the remaining EUR 5 million, an extension until 27 March 2014 was requested.

By appeal notified on 14 February 2014, CIR Costruzioni S.p.A (in liquidation), the ultimate parent company of CIR Costruzioni-IRCOS S.p.A-Monaco S.p.A. joint venture, appealed with the Supreme Court on jurisdictional grounds against the judgement issued by the State Council, Div. VI No. 5365 dated 11 November 2013, who had rejected the appeal submitted in the proceedings for the exclusion of the JV from the tender procedure for the award of the contract for the completion of complementary work on the buildings of Roma Termini station ("Grandi Stazioni" Programme - "Legge obiettivo".

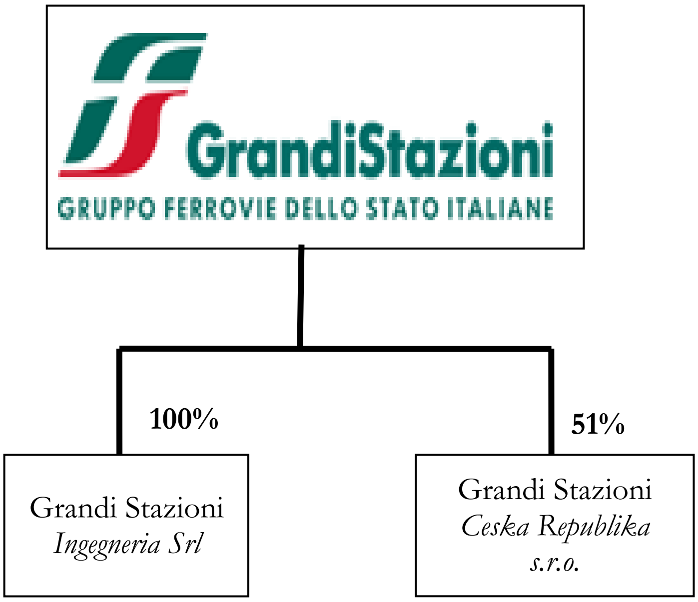
On 17 February 2014, a request was submitted to Intesa San Paolo for a two-month extension of the short-term loan agreement (hot money) signed on 17 December 2013 totalling EUR 5 million.

On 19 February 2014, a request was submitted to Banco Popolare (formerly Credito Bergamasco) for a two-month extension of the short-term loan agreement (hot money) signed on 19 December 2013 totalling EUR 5 million.

By service of process notified on 26 February 2014, ICS Grandi Lavori S.p.A summoned Grandi Stazioni, the former CEO of the Company, Satrel S.p.A, the legal representative and a manager of the latter, to appear before the Rome Court, Specialised Divisions, seeking that the cancellation of the agreement for the sale of company business between ICS and Satrel S.p.A dated 12 December 2012 be acknowledged and declared as void (such agreement relating to the execution of tender contracts entered into with Grandi Stazioni on 23 February 2007 pertaining to works to be completed on Southern Lot and Central Lot and all related shops), claiming violation of Section 1418(3) of the Italian Civil Code of Procedure and Article 118 of Legislative Decree No. 163/2006. Alternatively, ICS Grandi Lavori S.p.A. sought that the aforesaid agreement pertaining to the sale of company business and all related shops be acknowledged and declared as cancelled pursuant to Sections 1427, 1438 and 1439 of the Italian Code of Civil Procedure, the purpose being to have the aforesaid Court acknowledge and declare ICS's ownership of its own share of tender contracts relating to the Central Lot and Southern Lots and, consequently, rule with respect to the requests for termination, as under Sections 1453 and 1455 of the Italian Code of Civil Procedure, of such contracts for breach on the part of Grandi Stazioni or, in pursuance of Section 1467 of the Italian Code of Civil Procedure, for excessive burden arisen, thereby ordering Grandi Stazioni to pay ICS amounts due for various reasons and further ruling at any rate that the legal representative and one manager of Satrel as well as Grandi Stazioni CEO should jointly pay ICS amounts due for various reasons, plus legal interest and monetary revaluation as per law requirements, also covering the payment of the proceedings as well as legal costs and fees. The Company is considering the most appropriate actions to undertake together with its own counsels.

On 27 February 2014, subsidiary Grandi Stazioni Ingegneria S.r.l approved the financial position as at 31 December 2013 and the reverse merger with Grandi Stazioni S.p.A.

Scope of consolidation and Grandi Stazioni group equity investments



Management of design, planning and works management services for the station complexes managed by the Group in Italy and

Renovation, enhancement and management of the Prague central and Marianske Lazney station complexes.

Separate annual financial statements of Grandi Stazioni SpA as at 31 December 2013

Financial statements

Statement of financial position

(EUR)	Notes	31 Dec. 2013	31 Dec. 2012
Assets			
Property, plant and machinery	*(6)*	262,524,381	263,241,223
Investment Property	*(7)*	48,714,322	44,545,074
Intangible assets	*(8)*	1,323,935	956,827
Prepaid tax assets	*(9)*	7,937,705	8,923,054
Equity investments	*(10)*	4,074,371	4,074,371
Non-current trade receivables	*(11)*	4,867,920	5,899,268
Other non-current assets	*(12)*	773,952	1,290,408
Total non-current assets		**330,216,586**	**328,930,226**
Construction contracts	*(13)*	8,530,069	12,230,017
Current trade receivables	*(11)*	78,745,214	81,971,635
Current financial assets (including derivatives)	*(14)*	13,785,083	4,836,371
Cash & cash equivalents	*(15)*	19,196,302	26,995,098
Tax receivables	*(16)*	519,681	777,123
Other current assets	*(12)*	2,079,260	2,731,333
Assets held for sale and discontinued operations	*(17)*		7,266,234
Total current assets		**122,855,608**	**136,807,811**
Total assets		**453,072,194**	**465,738,037**

Shareholders' equity			
Share capital	*(18)*	4,304,201	4,304,201
Reserves	*(18)*	122,575,581	116,468,362
Retained earnings (accumulated losses)	*(18)*	9,387,476	9,387,476
Result for the year	*(18)*	8,293,816	19,271,731
Total shareholders' equity		**144,561,074**	**149,431,770**
Liabilities			
Medium/long-term loans	*(19)*	137,568,239	153,260,268
Employee leaving indemnity and other staff benefits	*(20)*	1,923,622	2,073,188
Provisions for risks and charges	*(21)*	6,403,716	8,418,217
Deferred tax liabilities	*(9)*	4,319,320	6,586,837
Non-current financial liabilities (including derivatives)	*(22)*	6,658,876	9,619,055
Other non-current liabilities	*(23)*	3,425,210	4,101,350
Total non-current liabilities		**160,298,983**	**184,058,917**
Short-term loans and current portion of medium/long-term loans	*(19)*	40,802,458	15,956,295
Current trade payables	*(24)*	97,952,072	108,732,167
Other current liabilities	*(23)*	9,457,607	7,558,888
Total current liabilities		**148,212,137**	**132,247,350**
Total liabilities		**308,511,120**	**316,306,267**
Total liabilities and shareholders' equity		**453,072,195**	**465,738,037**

Income statement

(EUR)	Notes	2013	2012
Revenues and income			
Revenues from sales and services	*(26)*	195,600,566	190,189,442
Other income	*(27)*	3,918,926	3,666,862
Total operating revenues		**199,519,491**	**193,856,303**
Total operating costs		**(157,659,631)**	**(148,313,017)**
Payroll and related costs	*(28)*	(15,839,476)	(14,531,019)
Raw, ancillary and consumable materials and goods for resale	*(29)*	(145,164)	(165,160)
Costs for services	*(30)*	(88,128,525)	(86,565,204)
Costs for the use of third party assets	*(31)*	(38,662,836)	(37,860,427)
Other operating costs	*(32)*	(15,715,060)	(9,966,073)
Costs for in-house work capitalised	*(33)*	831,430	774,865
Amortisation/depreciation	*(34)*	**(16,662,067)**	**(11,002,727)**
Writedowns and impairment losses (writebacks)		**(6,917,645)**	**(1,261,158)**
Writedown of property, plant and machinery	*(35)*	(380,047)	
Adjustments and value writebacks on receivables	*(35)*	(6,537,597)	(1,261,158)
Provisions for risks and charges	*(36)*		
Operating result (EBIT)		**18,280,149**	**33,279,401**
Financial income and expense			
Financial income	*(37)*	1,933,928	389,402
Financial expense	*(38)*	(4,175,627)	(5,022,277)
Pre-tax result		**16,038,450**	**28,646,526**
Income taxes	*(39)*	(7,744,634)	(9,374,795)
Net profit (loss) for the year		**8,293,816**	**19,271,731**

Statement of comprehensive income

(EUR)	Notes	31 Dec. 2013	31 Dec. 2012
Net result for the period		**8,293,816**	**19,271,731**
Components which will not be reclassified subsequently under profit/(loss) for the period:			
Gains (losses) relating to actuarial benefits	*(18)*	178,720	(294,577)
Tax effect	*(18)*	(49,148)	81,009
Components which will be reclassified subsequently under profit/(loss) for the period if certain conditions are satisfied:			
Effective portion of the fair value changes of cash flow hedges	*(18)*	2,927,870	(3,446,125)
Tax effect	*(18)*	(805,164)	947,684
Other comprehensive income components for the period, net of the tax effects	*(18)*	**2,252,278**	**(2,712,009)**
Total statement of comprehensive income for the period		**10,546,094**	**16,559,722**

Statement of changes in shareholders' equity

EUR	Shareholders' equity								
	Share capital	Legal reserve	Extraordinary reserve	Share premium reserve	Reserve for actuarial gains (losses) for employee benefits	Reserve for fair value valuation on derivatives - Cash flow hedge	Retained earnings (accumulated losses)	Result for the period	**Total shareholders' equity**
Balance as at 31 December 2011	**4,304,201**	**860,840**	**50,306,979**	**58,308,624**	**(132,488)**	**(4,325,253)**	**9,387,476**	**29,995,131**	**148,705,509**
Distribution of dividends								(15,833,460)	(15,833,460)
Allocation of the net result for the previous year			14,161,671					(14,161,671)	-
Other changes									
Total profit/loss recognised									-
of which:									-
Profit/(loss) recognised directly under equity					(213,568)	(2,498,441)			(2,712,009)
Profit for the period								19,271,731	19,271,731
Balance as at 31 December 2012	**4,304,201**	**860,840**	**64,468,650**	**58,308,624**	**(346,056)**	**(6,823,694)**	**9,387,476**	**19,271,731**	**149,431,770**
Distribution of dividends								(15,416,790)	(15,416,790)
Allocation of the net result for the previous year			3,854,941					(3,854,941)	-
Other changes									-
Total profit/loss recognised									-
of which:									-
Profit/(loss) recognised directly under equity					129,572	2,122,706			2,252,278
Profit for the period								8,293,816	8,293,816
Balance as at 31 December 2013	**4,304,201**	**860,840**	**68,323,591**	**58,308,624**	**(216,484)**	**(4,700,988)**	**9,387,476**	**8,293,816**	**144,561,074**

Cash flow statement

(EUR)	Notes	2013	2012
Profit/(loss) for the year	(18)	**8,293,816**	**19,271,731**
Financial income/expense	(37) (38)	(2,241,699)	(4,632,875)
Amortisation/depreciation	(34)	16,662,067	11,002,727
Provisions for risks and charges	(21) (35)	2,171,348	5,155,922
Writedowns	(35)	6,936,645	1,261,158
Provision for employee benefits	(28)	48,690	366,738
Change in inventories	(13)	3,699,948	1,983,851
Change in trade receivables	(11)	(2,279,829)	(5,765,560)
Change in trade payables	(24)	(10,780,095)	2,560,063
Changes in other assets and liabilities	(12) (23)	2,391,109	8,654,427
Uses of provisions for risks and charges	(21)	(4,185,849)	(1,849,534)
Employee benefits paid	(20)	(31,964)	(133,869)
Change in receivables/payables for taxes which do not generate cash flows	(16)	(1,024,727)	(5,481,966)
Cash flows generated (absorbed) by operating activities		**19,659,459**	**32,392,811**
Investments in tangible fixed assets	(6) (7)	(43,737,964)	(42,814,886)
Investments in intangible assets	(8)	(916,724)	(737,000)
Investments gross of contributions		**(44,654,688)**	**(43,551,886)**
Grants - Tangible fixed assets	(6)	24,679,474	25,189,562
Disposals of tangible fixed assets	(6) (7)	6,360,820	421,129
Net cash flow absorbed by investment activities		**(13,614,393)**	**(17,941,195)**
Disbursement and repayment of medium/long-term loans	(19)	(15,845,866)	(15,986,052)
Disbursement and repayment of short-term loans	(19)	25,000,000	
Financial income/expense		2,241,699	4,632,875
Dividends paid	(18)	(15,416,790)	(15,833,460)
Changes in shareholders' equity	(18)	(874,194)	790,591
Net cash flow generated by financial activities		**(4,895,151)**	**(26,396,046)**
Total cash flow generated/ (absorbed) during the period	(14) (15)	**1,149,915**	**(11,944,431)**
Cash and cash equivalents at beginning of year	(14) (15)	**31,831,469**	**43,775,900**
Cash and cash equivalents at end of year (*)	(14) (15)	**32,981,385**	**31,831,469**

(*) Of which FSI intercompany current acct. EUR 13,785,083.

Explanatory notes to the financial statements for the period

1 Introduction

These statutory financial statements for the period ended 31 December 2013 (hereinafter the "Statutory Financial Statements") have been drawn up in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), adopted by the European Union("EU- IFRS"). It is hereby noted that Grandi Stazioni SpA (hereinafter also the "Company") availed itself of the faculty envisaged by Italian Legislative Decree No. 38 dated 28 February 2005, which governs the exercise of the options envisaged by Article 5 of the European Regulation No. 1606/2002 regarding the international accounting standards. In particular, pursuant to Articles 3 and 4 of the aforementioned Legislative Decree, the company has applied the EU-IFRS for the preparation of the statutory financial statements starting from the year ended 31 December 2010. Up to the period ended 31 December 2009, the company prepared its statutory financial statements pursuant to the provisions set forth in Italian Legislative Decree No. 127 dated 9 April 1991, as interpreted by the accounting standards issued by the Organismo Italiano di Contabilità (Italian Accounting Body) (the "Italian Accounting Standards").

2 The company

Grandi Stazioni S.p.A. is established and domiciled in Italy and organized according to the laws of the Republic of Italy.

The registered offices are in Via G. Giolitti 34 – 00185, Rome, Italy.

The company is subject to the management and coordination of Ferrovie dello Stato Italiane S.p.A..

The main activities of Grandi Stazioni are the renovation and management of station complexes.

In particular, it operates at national level in the 14 major Italian railway stations: Roma Termini, Roma Tiburtina, Milano Centrale, Torino Porta Nuova, Firenze Santa Maria Novella, Bologna Centrale, Napoli Centrale, Venezia Mestre and Santa Lucia, Verona Porta Nuova, Genova Piazza Principe and Brignole, Palermo Centrale and Bari Centrale.

In carrying out its design and works direction activities, the execution of feasibility studies and technical consultancies, Grandi Stazioni avails itself of the activities of its subsidiary Grandi Stazioni Ingegneria.

The goal which guides the activities of the company is to spread a new concept of railway station among the general public: an enterprise with high business potential, a venue for city life and a lively and welcoming place, capable of offering quality services and opportunities to enjoy your time while waiting for a train or in which to spend your free time. Stations have a new urban role to play in this new concept.

Briefly, the company's mission involves:

- renovation and enhancement of the properties and the station facilities via leasing, promotional and advertising activities and direct management of passenger areas and services;
- improving the quality of and diversifying travel services by enhancing the existing offer and constantly striving to improve customer satisfaction;
- promotion of new methods for using the areas, introducing innovative services in the Network stations, such as a services centre with numerous branded shops, a specialised general surgery unit, gym and numerous leisure activities;

- integration of the station property complexes with the surrounding urban area so as to transform stations into a lively part of the city, facilitating access to and inter-modality with all other means of transport;
- developing social projects and initiatives in favour of underprivileged individuals present in stations, in cooperation with volunteer organizations and bodies;
- spreading a new concept of stations via communication strategies and cultural initiatives.

On 15 April 2014 the Directors approved the financial statements for the period ended 31 December 2013 and resolved to make them available to the shareholders pursuant to Article 2429 of the Italian Civil Code. These financial statements shall be submitted for the approval of the shareholders' meeting by the deadlines set forth in Article 2364 of the Italian Civil Code and they will be deposited by the deadlines set forth in Article 2435 of the said Civil Code The shareholders' meeting has the power to make amendments to these financial statements. Pursuant to IAS 10, section 17, the date taken into consideration by the Directors when drawing up the financial statements is 15 April 2014, the date on which they were approved by the Board of Directors.

PricewaterhouseCoopers SpA has been appointed to carry out the legal audit of the accounts, pursuant to Article 14 of Italian Legislative Decree No. 39/2010 and Articles 2409 *bis et seq.* of the Italian Civil Code.

3 Basis of preparation

The main standards and accounting principles applied when drawing up the statutory financial statements are presented as follows.

As previously indicated, the statutory financial statements have been prepared in compliance with the EU-IFRS, these being all International Financial Reporting Standards (IFRS), International Accounting standards (IAS), interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously known as the Standing Interpretations Committee (SIC) adopted by the European Union and contained in the related EU Regulations published up to 15 April 2014, the date on which the Company's Board of Directors approved this document. In detail, the EU-IFRS have been applied in a consistent manner to all the periods presented in this document. It is furthermore noted that these financial statements have been prepared based on the best available knowledge of the EU-IFRS and with account taken of the best theories on this subject; any future guidelines and amendments to the interpretations shall be reflected in subsequent periods, as provided for by the reference accounting standards from time to time.

The statutory financial statements have been prepared and are presented in Euro, which is the Company's reporting currency and therefore the currency used in the countries in which the company mainly operates; all the amounts included in the tables within the notes that follow are expressed in thousands of Euro, unless otherwise indicated.

The statements used and the related classification criteria adopted by the Company, from among the options provided by IAS 1 "Presentation of financial statements", are indicated below:

- the statement of financial position has been prepared by classifying the assets and liabilities on a "current/non-current" basis;
- the income statement has been prepared classifying the operating costs according to their nature;
- the statement of comprehensive income includes, in addition to the results for the period

emerging from the income statement, the other changes in shareholders' equity items represented in particular by the actuarial gains/losses on employee benefits, and changes in the fair value of financial hedging instruments. Furthermore. following the amendment to IAS 1 – Presentation of Financial Statements - the company separately states all the items in the Other comprehensive income/(losses) according to whether they can be reclassified subsequently or not in the income statement;

- the cash flow statement has been prepared by showing the cash flows from operations according to the "indirect method".

These statutory financial statements have been prepared with a view to the Company as a going-concern, since the directors have ensured that no financial, operational, or other indicators exist that could indicate the existence of critical issues regarding the Company's ability to fulfil its obligations in the foreseeable future and in particular over the next 12 months The procedures the Company uses to manage financial risks are explained in note 5 – Management of financial and operating risks.

The statutory financial statements have been prepared according to historical cost, except for the valuation of financial assets and liabilities for which application of the fair value approach is mandatory.

4 Accounting standards adopted

The main accounting standards and policies used for the preparation of the financial statements for the period are presented below.

Property, plant and machinery

Property, plant and machinery are stated at purchase or production cost net of accumulated depreciation and any impairment losses. The purchase or production cost includes all charges incurred directly in preparing the assets for use and any other charges for disposal and removal that may be incurred as a consequence of contractual obligations requiring the assets to be returned to their original condition. Financial charges that are directly attributable to the purchase, construction or production of the eligible assets are capitalised or amortised based on the useful life of the asset they refer to. Improvement, modernisation and transformation costs which increase the value of the assets, are booked to the balance sheet assets concerned.

Costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are recognised directly in the income statement when incurred. Capitalisation of costs inherent to the expansion, updating or improvement of the structural elements that are owned or used by third parties is carried out exclusively to the extent that they fulfil the requirements to be separately classified as assets or parts of an asset, applying the component approach criteria, which lays down that the useful life of each element and its relative value must be assessed independently.

Depreciation is calculated systematically on a straight line basis at rates deemed representative of the estimated economic-technical useful life of the assets. The useful life of the tangible assets and their residual value are reviewed, and adjusted if appropriate, at least at the end of each year.

The depreciation rates used are as follows:

	Rate
Civil works	3%
Plant and machinery	5%-33%
Industrial and commercial equipment	20%
Other assets:	
- *Furniture and furnishings*	12%
- *Electronic equipment*	20%
- *Office equipment*	40%
- *Motor vehicles*	25%

The item "plant and machinery" comprises the advertising system installations whose residual useful life as at 31 December 2013 was defined as follows:

Type	Residual useful life (years)
Traditional plant	6.7
Monitors	3.2
Control room	2.0
Electrical plant	15.00

The useful life of the tangible assets and their residual value are reviewed, and adjusted if appropriate, at least at the end of each year. Land is not depreciated. The useful life did not undergo any up-date during the year.

Assets under finance leases

The tangible assets held through financial leases which essentially transfer to the company the risks and benefits of ownership, are recognised as assets of the company at their current value on the date the contract was concluded or, if lower, at the current value of the minimum payments due for the lease including any amounts payable for exercising the purchase option. The corresponding liability towards the lessor is recorded in the financial statements under financial payables. Assets are depreciated applying the previously indicated approach and rates, unless the duration of the lease is shorter than the useful life represented by those rates and there is no reasonable certainty that the ownership of the leased asset will be transferred upon expiry of the contract; in this case, the depreciation period is equal to the duration of the lease.

Leases in which the lessor essentially maintains all the risks and benefits of ownership are classified as operating leases. The operating lease costs are recognised over the duration of the lease in the income statement.

Investment Property

Property investments are the real estate properties owned in order to obtain the rental income and/or obtain an increase in the capital invested and are not destined for sale in the normal execution of business operations. Furthermore, the property investments are not used in the production or the supply of goods or services or in the management of the company. The accounting standards used for the accounting of this item comply with the criteria described above under "Property plant and equipment."

In the event that a development project is launched with the prospect of future sale, the properties are reclassified in the item Inventories further to the change in intended use. The value as at the date the use of the property is changed is used as the cost for the subsequent accounting under inventories.

Buildings are depreciated at a rate of 3% while plant is depreciated at a rate of 15%.

Intangible assets

Intangible assets consist of non-monetary elements, identifiable and without physical consistency, controlled by the company and capable of producing future economic benefits. Identification is defined with reference to the possibility of distinguishing the intangible assets acquired with respect to goodwill. This requirement is usually satisfied when: (i) the intangible asset is attributable to a legal or contractual right, or (ii) the asset is separable, in other words can be sold, transferred, leased or exchanged autonomously or as an integral part of other assets Control by the company involves the power to use the future economic benefits deriving from the asset and the possibility of limiting access to the same by others.

Intangible assets are recorded at cost, determined according to the same methods indicated for property, plant and machinery, only when said cost can be reliably measured.

The following types of intangible assets are present in the financial statements, the amortisation rates for which are indicated below:

	Rate
Software	33%

After initial recognition, the cost or fair value of intangible assets with a defined useful life is adjusted by the related accumulated amortisation and any impairment losses, determined as described below. The amortisation begins when the intangible asset is available for use and is distributed systematically in relation to the residual possibility of its use and therefore based on its estimated useful life.

The useful life is reviewed on an annual basis and any changes, if deemed necessary, are made using the method of forecast application.

The gains and losses deriving from the disposal of an intangible fixed asset are determined as the difference between the disposal value, net of sales costs, and the book value of the asset; they are recorded in the income statement at the time of disposal.

Impairment tangible and intangible assets

i) Assets (tangible and intangible) with a definite useful life

On each balance sheet date, a test is carried out to check whether there is any indication that the tangible and intangible assets have suffered impairment. To this end both external and internal sources of information are taken under consideration. With regard to the internal sources, the following are taken into account: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset or the economic performance of the asset with respect to that envisaged. The following external sources are considered: the trend in the market price of the assets, any discontinuities in terms of technology, the market or regulations, the market interest rates and the cost of capital used to assess the investments

In the event that such indicators are identified, steps are taken to estimate the recoverable value of the aforementioned assets, booking any writedowns with respect to the book value to the income statement. The recoverable value of an asset is represented by the fair value, net of the accessory sales costs or its value in use, whichever is the lower, the latter being the current value of the future cash flows estimated for this asset. Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market assessment of the cost of money, placed in relation to the investment period, and the specific risks of the asset. The recoverable amount of assets that do not generate independent cash flows is determined based on the cash- generating unit to which the asset belongs.

An impairment loss is recognised in the income statement if an asset's book value or that of the cash-generating unit to which it is allocated is higher than its recoverable amount. Impairment losses of cash generating units are first booked against the book value of any goodwill attributable to the same and then against the other assets, in proportion to their book value and within the limits of the related recoverable value. If the reasons for the writedown cease to exist, the book value of the asset is restored and recognised in the income statement, up to the net book value the asset in question would have had if the writedown had not occurred and the related amortisation/depreciation had been carried out.

ii) Intangible assets which are not yet available for use

The recoverable value of intangible assets which are not yet available for use is subject to annual or more frequent impairment testing, if there is an indication that these assets may have become impaired

Equity investments in subsidiary companies

Equity investments in subsidiaries are accounted for at the impairment adjusted cost. When the reasons for the impairment cease to exist, the book value of the equity investment is increased up to its related original cost. This writeback is recognised in the income statement.

Financial instruments

Receivables and payables

Receivables are initially recognised at their fair value which generally coincides with the nominal value. Subsequently they are measured at amortised cost and decreased, in the event of impairment, to their estimated realisable value through recognition of a special adjustment provision. Estimates of amounts considered to be uncollectible are carried out according to the value of the expected future cash flows . These cash flows take into account expected recovery times, the estimated realisable value of possible guarantees, as well as costs expected to be incurred to recover the amounts receivable. In this event, the writeback is booked to the income statement and cannot in any event exceed the amortised cost which would have applied in the absence of previous writedowns.

Trade payables and other debts are accounted for initially at fair value net of directly attributable ancillary costs and subsequently measured using the amortised cost method based on the effective interest rate approach.

Trade receivables and payables, falling due in line with generally accepted trade terms are not discounted.

Cash & cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available and other forms of short-term investment, with maturity at origin of three months or less. On the balance sheet date, current account overdrafts were classified among financial payables under current liabilities in the statement of financial position. The elements included in net cash are measured at fair value and the related changes are recognised in the income statement.

Loans

Loans are accounted for initially at fair value net of directly attributable ancillary costs and subsequently measured using the amortised cost method based on the effective interest rate approach. Whenever there is a change in the estimate of the cash flows expected, the value of the liabilities is recalculated in order to reflect this change based on the current value of the new cash flows expected and the internal rate of return that had initially been determined. Loans are classified among current liabilities, except those which have a contractual maturity date beyond 12 months with respect to the balance sheet date and those for which the company has an unconditional right to defer payment for at least 12 months after the reference date. The loans are removed from the financial statements when they are settled and when the company has transferred all risks and expenses relating to the instrument itself.

Financial assets and liabilities

The financial assets which the company intends and is able to keep until maturity pursuant to IAS 39 and financial liabilities are recognised at cost, when the company becomes party to the contractual clauses of the instrument, represented by the fair value of the initial price, net of any directly attributable transaction costs. Following initial recognition, the financial assets and liabilities are measured on an amortised cost basis using the effective interest rate method.

Financial assets and liabilities are no longer stated in the financial statements when, due to their sale or discharge, the company is no longer involved in their management nor does it hold risks and benefits relating to these sold/discharged instruments.

Derivative financial instruments

The derivative financial instruments used by the company aim to hedge the exposure to interest rate risk and obtain a diversification of the debt parameters which thereby permits a reduction in the cost and the volatility. On the date of entering into the contract, the derivative instruments are initially accounted for at fair value and if the derivative instruments are not accounted for as hedges, any subsequent changes in the fair value are recognised as income statement components.

Hedging derivative financial instruments are recognised as per the formalities established for hedge accounting only if:

- at the start of the hedge, a formal designation exists and the hedge is documented;
- it is envisaged that the hedge is highly effective;
- the effectiveness can be reliably measured;
- the hedge itself is highly effective during the various accounting periods for which it has been designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment is applied:

Fair value hedges

When a derivative financial instrument is designated as hedging the exposure to a change in the fair value of an asset or liability attributable to a specific risk, the gain or loss deriving from subsequent fair value changes in the hedging instrument are recognised in the income statement. The profit or the loss, deriving from the adjustment to fair value of the hedged item, for the portion attributable to the hedged risk, change the book value of this item and are recognised in the income statement.

Cash flow hedges

When a derivative financial instrument is designated as hedging the exposure to changes in the future cash flows of an asset or liability recorded in the financial statements or a transaction deemed highly probable, the effective portion of the gains or losses from adjustment to fair value of the derivative instrument is recognised in a specific equity reserve. The cumulative profit or loss is reversed from the shareholders' equity reserve and recognised in the income statement in the same periods in which the effects of the hedging transaction are recognised in the income statement. The profit or loss associated with that portion of the ineffective hedge is recognised in the income statement directly. If the transaction hedged is no longer considered probable, the still unrealised profits and losses accounted for under shareholders' equity are immediately recognised in the income statement.

Derivative financial instruments are accounted for on the transaction date.

Fair value estimate

The fair value is the price which would be received for the sale of an asset or which would be paid for the transfer of a liability in a regular transaction on the main market (or on that most advantageous if a main market does not exist) as at the date of valuation and under current market conditions, irrespective of the fact that this price can be directly observed or that it is estimated using another valuation technique. In detail, it is necessary to consider the characteristics of the participant in the market with reference to the assets and liabilities so as to determine the price as of the valuation date. The fair value of financial instruments listed on an active market is based on the market prices on the financial statement date. The fair value of financial instruments which are not listed on an active market on the other hand is determined through the use of valuation techniques based on a series of methods and assumptions linked to market conditions on the financial statements date.

Following is the fair value classification of Financial Instruments based on the following hierarchical levels:

Level 1: Fair value determined on the basis of listed prices (not adjusted) on active markets for identical financial instruments to which the company has access as of the valuation date;

Level 2: Fair value determined using valuation techniques which make reference to variables which can be observed directly or indirectly on active markets, other than listed prices;

Level 3: Fair value determined using valuation techniques which make reference to market variables which cannot be observed taking into account the best information available as of the date.

The company to-date uses level 2 input and the instruments present in the portfolio of the company are OTC (Over The Counter). The valuations at fair value of the financial instruments are made on the basis of financial models considered to be market standards. In particular, steps were taken:

- to determine the current value net of the future flows for swaps;

- to calculate the market value obtained via the Black & Scholes model for options (Collar).

The input data used for the valuation of the models is represented by observable market parameters available on the main financial info-providers.

Given the short term nature of trade receivables and payables, it is believed that the book values represent a good approximation of fair value.

Construction contracts

The construction contracts (hereinafter also "revenue contracts") are recognised at the value of the contractual amounts agreed, reasonably accrued, using the method of the percentage completion and taking into account the progress achieved and the contractual risks expected. The progress of the works is measured in relation to the costs of the contract that have been incurred up to the financial statement date as a percentage of all estimated costs for every single job order.

When the results of a contract cannot be reliably estimated, the revenue from the job is recognised only to the extent that the costs incurred can reasonably be expected to be recovered. When the result of a contract cannot be reliably estimated and it is probable that the contract will generate a profit, the revenue from the contract is recognised for the entire duration of the contract itself. When it is probable that the total contract costs will exceed the total revenues of the contract, the potential loss is recognized in the income statement directly.

The company presents as assets the gross amount due from customers for contracts relating to work under way for which the costs incurred plus the margins (minus the losses that have been recognised) exceed the invoicing for the work completed so far. The company presents as liabilities the gross amount due to customers for all work underway for which the amounts invoiced for the progress made exceed the costs incurred, including the margins (less the losses that have been recognised).

Employee benefits

Short-term benefits are salaries, wages, the related social security charges, compensation in lieu of holidays and incentives provided in the form of a bonus payable within the 12 months from the financial statement date. These benefits are accounted for as components of payroll and related costs in the period in which the work services are provided.

Employee leaving indemnity and other staff benefits

The company has defined-contribution as well as defined-benefit plans in place. The defined-contribution plans are managed by third parties/ asset managers in relation to whom there are no legal obligations or other obligations to pay further contributions should the fund not have enough assets to cover the obligations assumed towards the employees. For the defined-contribution plans, the company pays contributions voluntarily or those which are established by contract, into insurance pension funds, both public and private. The contributions are recognised as payroll and related costs on an accruals basis. The contributions paid in advance are recognised as assets that will be reimbursed or offset against future payments, should these be due.

A defined-benefit plan is a plan which cannot be classified as a defined-contribution plan. In defined-benefit plans the amount of the benefit payable to the employee can be calculated only after the work relationship has been terminated and is connected to one or more elements such as age, years of service and remuneration. The obligations for defined-benefit plans are therefore determined by an independent actuary using the projected unit credit method. The current value of the defined-benefit plan is determined by discounting the future cash flows at an interest rate equal to that of bonds (high quality corporate) issued in the currency in which the liability shall be settled and which takes into account the duration of the related pension plan. The gains and losses from the actuarial calculation are entirely allocated to shareholders' equity during the year of reference, with account taken of the related deferred tax effect.

In particular, it is disclosed that the Group operates a defined-benefit plan which is represented by the Trattamento di Fine Rapporto ("TFR" - employee leaving indemnity). The TFR is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, provides deferred remuneration and is related to the duration of the employees' working lives and the remuneration received over the period of service they provide. As from 1 January 2007, Italian Law No. 296 dated 27 December 2006 "Finance Law 2007" and subsequent Decrees and Regulations, introduced significant amendments to the TFR, including providing employees with the option to pay into their own TFR into which all supplementary social security funds are placed or into the "Treasury Fund" managed by the INPS. It ensues therefore that the obligation vis-à-vis INPS and the contributions to supplementary pension funds have assumed, pursuant to IAS 19 Employee Benefits, the nature of defined-contribution plans, while the funds placed in the TFR fund as that 1 January 2007 maintain the essential qualities of defined-benefit plans.

Provisions for risks and charges

Provisions for risks and charges are provided for specific known or likely losses or liabilities, the timing and extent of which is unknown at year end. This entry is made only when there is a current obligation (legal or implicit) for the future outflow of financial resources as a result of past events and it is probable that this outflow will be requested for the discharge of the obligation. This amount represents the best estimate of the liability involved in settling this obligation. The rate used in determining the current value of the liability reflects the current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is significant and the payment dates of the obligations are reliably estimated, the provisions are measured at the current value of the expected outlay using a rate that reflects market terms and conditions, the changes in the cost of money over time and the specific risk connected to the obligation. The increase in the value of the provision which is the result of changes in the cost of money over time is accounted for as interest payable.

Risks for which the related liability is merely contingent are disclosed in the notes to the financial statements (in the section on contingent liabilities) and no provision is made for such risks

Translation of foreign currency items

The transactions in currency other than the reporting currency are recognised at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the Euro are subsequently adjusted using the exchange rate at the year end date. Non-monetary assets and liabilities in foreign currency other than the Euro are carried at historic cost using the exchange rate prevailing on the date of initial recognition of the transaction. Any exchange rate differences are recognised in the income statement.

Revenues

The revenues are recognised to the extent that it is probable that the Company will receive economic benefits and their amounts can be reliably determined, taking into account also any returns, rebates, trade discounts and premiums pertaining to quantity.

The revenues for the rendering of services are recognised in the income statement with reference to the stage of completion of the service and only when the outcome of the transaction involving the rendering of services can be reliably estimated.

Revenues from work-in-progress are recognised on the basis of the stage of completion method.

Revenues from the sales of goods are measured at the fair value of the price received or due. Revenues from the sales of goods are recognised when the significant risks and benefits associated with ownership of the goods is transferred to the purchaser and the related costs can be reliably determined.

Interest income is recognised in the income statement based on the actual rate of return.

Government grants

Government grants for which there is an official resolution and, in any case, when the right to receive them is considered definite since reasonable certainty exists that the Company will comply with the terms and conditions required for receiving the grants and that the grants will be collected, are recognised on an accruals basis directly in relation to the costs incurred.

i) Equipment grants

Government equipment grants refer to the amounts granted by the State or public entities to the Company for realisation of initiatives directly involving the construction, reactivation or expansion of buildings, plants and machinery. Capital grants are charged against the assets they refer to and reduce the calculation of the amortisation rate.

ii) Operating grants

Operating grants refer to amounts granted by the State or other public entities to the company and are charged against the costs and expenses incurred. Operating grants are recognised in the income statement and charged against the cost item they refer to.

Cost recognition

The costs are recognised when they relate to goods and services sold or consumed during the year or by systematic allocation.

Income taxes

The current taxes are determined on the basis of an estimate of the taxable income of the company and in compliance with the current tax laws applicable to the companies.

Prepaid and deferred taxes are calculated in relation to all the differences that emerge between the taxable base of an asset or liability and the related book value, except for the differences arising from equity investments in subsidiaries, when the time they can be reallocated is under the control of the company and it is probable that they will not be reversed over a time period that can be reasonably foreseen. Prepaid taxes, including those referring to prior tax losses, with regard to the portion that is not offset by deferred taxes, are recognised to the extent that it is probable that future taxable income will be available against which the same can be recovered. Prepaid and deferred taxes are determined using the tax rates which are expected to be applicable in the years in which the timing differences will be realised or settled.

Current taxes, prepaid and deferred taxes are recognised in the income statement except for those relating to items recognised among other components of the statement of comprehensive income or which are directly charged against or credited to shareholders' equity. Prepaid and deferred taxes are offset when the same are applied by the same tax authority, a legal right to compensation exists and settlement of the net balance is expected.

Other taxes not connected with income, such as indirect and other dues, are included under "Other operating costs" in the income statement.

It is hereby noted that Grandi Stazioni S.p.A. participated during 2013 (for the three year period from 2013-2015) in the national income tax consolidation scheme, arranged by the parent company Ferrovie dello Stato Italiane S.p.A., pursuant to Article 117 of the T.U.I.R. (Italian income tax consolidation act).

The tax consolidation agreement envisages that for the taxable income generated and transferred to Ferrovie dello Stato Italiane S.p.A., the subsidiaries undertake to transfer to the latter "tax adjustments" net of the credits transferred within the time period established by law for payment of the balance and the advances relating to the income transferred. Any offsetting carried out by Ferrovie dello Stato Italiane SpA as part of the taxation of the FS Group shall not be applicable for identifying the extent and the deadlines of the payment.

In the event of the transfer of a tax loss, Ferrovie dello Stato Italiane S.p.A. must pay the subsidiaries compensation equal to the loss that they themselves would have used independently in the absence of the taxation of the FS Group.

IRAP (regional business tax) is settled independently by each company participating in the aforementioned tax consolidation scheme.

Assets and liabilities held for sale and discontinued operations

Non-current assets whose book value will mainly be recovered through a sale rather than through ongoing use, are classified as held for sale and represented separately from the other statement of financial position assets and liabilities. The corresponding balance sheet values for the previous period are not reclassified.

Non-current assets classified as held for sale are initially recognised according to the IFRS that is applicable to each asset and liability and subsequently at their book value or their fair value, net of costs to sell, whichever is the lower. Any subsequent impairment is recognised directly against any non-current assets classified as held for sale with a matching balance in the income statement.

By contrast, there is a write-back for each subsequent increase in the fair value of an asset net of costs to sell, but only up to the cumulative impairment loss that has been recognised.

Recently issued accounting standards

The EU legislator adopted certain accounting standards and interpretations which are mandatory starting from 1 January 2013 and which govern cases which apply to the company as at the date of this annual report.

I*FRS 13 - Fair value measurement*

On 12 May 2011, the IASB issued IFRS 13 – Fair Value Measurement, which illustrates how the fair value must be determined for financial statement purposes, and is applicable to all the cases where the standards require or permit measurement of fair value or the presentation of information based on fair value, with a number of limited exclusions. The standard also requires fuller disclosure on the measurement of the fair value (hierarchy of the fair value) with respect to that required by IFRS 7.

The company adopted this new standard as from 1 January 2013.

IAS 19 - Employee benefits

On 16 June 2011, the IASB issued an amendment to IAS 19 –Employee Benefits which eliminates an option to defer the recognition of actuarial gains and losses using the so-called corridor method, requesting that all the actuarial profits and losses be recorded immediately in the statement of comprehensive income (OIC), so that the entire net amount of the provision for defined benefits (net of the assets serving the plan) are recorded in the statement of financial position. The amendment also envisages that the changes between one year and the next in the provision for defined benefits and the assets serving the plan must be divided up into three components: the components of the cost linked to the work services in the year must be recorded in the income statement as "service costs"; the net financial charges calculated applying the appropriate discount rate to the net balance of the provision for defined benefits net of the assets emerging at the start of the year must be recorded in the income statement as such; the actuarial gains and losses which derive from the re-measurement of the liabilities and assets must be recorded in the statement of comprehensive income. Furthermore, the yield of the assets included among net financial expense as indicated above must be calculated based on the discount rate of the liability and no longer on the basis of the expected yield from the assets. In conclusion, the amendment introduces new and additional information to be provided in the notes to the accounts.

The company had not previously adopted the so-called corridor method.

IAS 1 - Presentation of financial statements

On 16 June 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements which requires companies to group together all the items within the Statement of "Other comprehensive income/(losses) (OCI)" according to whether they can be reclassified subsequently or not in the income statement.

The company adopted this amendment as from 1 January 2013.

IFRS 7 - Financial instruments: supplementary information

On 16 December 2011, the IASB issued several amendments to IFRS 7 – Financial Instruments: disclosures. These amendments require information on the real or potential effects of offsetting financial assets and liabilities on the statement of financial position of a company.

The company adopted these amendments as from 1 January 2013.

Annual Improvements to IFRSs: 2009-2011 Cycle

On 17 May 2012, the IASB published the document Annual Improvements to the IFRSs: 2009-2011 Cycle, which acknowledges the amendments to the standards within the sphere of the annual improvement process for the same, concentrating on amendments deemed necessary, but not urgent. Mention is made below of those which involve a change in the presentation, recognition and measurement of the financial statement items, leaving aside those which only lead to terminology changes or editorial variations with minimum effects in accounting terms, or those which affect standards or interpretations not applicable to the company:

- IAS 1 Presentation of financial statements – Comparative information: this clarifies that in the event additional comparative information is provided, it must be presented in accordance with the

IAS/IFRS; if an entity voluntarily provides additional information, the same can also be collated in just one of the mandatory accounting schedules, for which the related notes must then be provided. Furthermore, it clarified that in the event an entity changes an accounting standard or makes a retrospective adjustment/reclassification, the same entity will have to present a balance sheet also at the beginning of the comparative period ("third balance sheet" in the financial statement formats), while in the explanatory notes no comparative disclosure is requested for this "third balance sheet", other than the items concerned.

- IAS 16 Property, plant and machinery – Classification of servicing equipment: this clarifies that the servicing equipment will have to be classified in the item Property, plant and machinery if used for more than one accounting period, otherwise under inventories.
- IAS 32 Financial instruments: presentation - Direct taxes: this clarifies that the direct taxes on the distributions to holders of equities and on transaction costs on equities follow the rules of IAS 12.
- IAS 34 Interim financial reporting - Information on operating segments: this clarifies the disclosure to be provided in the interim financial statements with regard to assets and liabilities relating to operating segments.

The company adopted these amendments as from 1 January 2013.

Accounting standards endorsed by the European Union which have not been applied in advance by the company

IAS 32 - Financial instruments: presentation

On 16 December 2011, the IASB issued several amendments to IAS 32 – Financial Instruments: presentation, to clarify the application of several criteria for offsetting financial assets and liabilities which are present in IAS 32, in fact making this more difficult. The amendments are applicable retrospectively for periods beginning on or after 1 January 2014, with the possibility of early application as from 1 January 2013.

IAS 36 - Disclosure on the recoverable value of the non-financial assets

On 29 May 2013, the IASB issued an amendment to IAS 36 - Disclosure on the recoverable value of the non-financial assets. The amendment disciplines the disclosure to be provided on the recoverable value of the assets which have undergone a reduction in value, if this amount is based on the fair value net of the sales costs.

The amendment is applicable to the periods which start as from 1 January 2014.

IAS 39 - Financial instruments: recognition and measurement

On 27 June 2013, the IASB issued a number of amendments to IAS 39 – Financial instruments: recognition and measurement, entitled "Novation of derivatives and continuation of hedge accounting". The amendments make it possible to continue hedge accounting in the event that a derivative financial instrument, designated as a hedging instrument, is novated further to the application of laws or regulations for the purpose of replacing the original counterparty so as to ensure the satisfactory outcome of the obligation undertaken and if certain conditions are satisfied.

The same amendment will be included in IFRS 9 - Financial instruments. The amendments are applicable to the periods which start as from 1 January 2014, with the possibility of early application.

Accounting standards not endorsed by the European Union

As of the date of these financial statements, the competent bodies of the European Union had not yet concluded the endorsement process necessary for the adoption of the following accounting standards and amendments:

IFRS 9 - Financial instruments

On 12 November 2009, the IASB published IFRS 9 - Financial instruments which represents the first part of a process in stages which aims to fully replace IAS 39 and introduce new standards for the recognition and measurement of financial assets and liabilities. In detail, with regard to financial assets the new standard uses a single approach based on the methods for handling financial instruments and on the characteristics of the contractual cash flows of said financial assets for the purpose of establishing the accounting criteria, replacing the various rules envisaged so far by IAS 39. By contrast, with regard to financial liabilities, the main change concerns the accounting treatment of the fair value changes of a financial liability designated as a financial liability at fair value through profit and loss, in the event that these are due to a change in the credit worthiness of said liability. According to the new standard, these changes must be recorded in the Statement of Other comprehensive income/(losses) and no longer in the income statement. The approval of this standard is currently suspended.

IFRIC 21 – Levies

On 20 May 2013, the IASB issued the interpretation IFRIC 21 - Levies, which represents the interpretation of IAS 37 - Provisions, contingent liabilities and contingent assets. IFRIC 21 clarifies when an entity must recognise a liability for the payment of taxes laid down by the government, with the exception of those already disciplined by other standards (e.g. IAS 12 - Income taxes).

One of the requisites required by IAS 37 for the recognition of a liability is represented by the existence of a current obligation for the company being the result of a past event (binding act). The interpretation clarifies that the binding act, which gives rise to a liability for the payment of a levy, lies in the reference legislation which gives rise to payment of the same.

IFRIC 21 is effective as from the periods which start from 1 January 2014.

IAS 19 - Employee benefits

On 21 November 2013, the IASB issued a number of amendments to IAS 19 - Employee benefits, entitled "Defined-benefit plans: employee contributions, with the aim of simplifying the accounting registration of the contributions which are not dependent on the number of years of service rendered, such as for example, those which are calculated on the basis of a fixed percentage of the salary. These amendments are applicable as from 1 January 2014, with the possibility of early application.

Annual Improvements to IFRSs: 2010-2012 Cycle

On 12 December 2013, the IASB published the document Annual Improvements to the IFRSs: 2010-2012 Cycle, which acknowledges the amendments to the standards within the sphere of the annual improvement process for the same, in response to eight matters dealt with during the 2010-2012 cycle. The standards included in this cycle are: IFRS 2 IFRS 3 IFRS 8 IFRS 8 IFRS 13 IAS 7 IAS 16/38 IAS 24. These amendments are applicable as from 1 January 2014, with the possibility of early application.

Annual Improvements to IFRSs: 2011-2013 Cycle

On 12 December 2013, the IASB published the document Annual Improvements to the IFRSs: 2011-2013 Cycle, which acknowledges the amendments to the standards within the sphere of the annual improvement process for the same, in response to four matters dealt with during the 2011-2013 cycle. The standards included in this cycle are: IFRS 1 IFRS 3 IFRS 13 IAS 40. These amendments are applicable as from 1 January 2014, with the possibility of early application.

Use of estimates and valuations

The preparation of the statutory financial statements requires that directors apply accounting standards and methods that, in some circumstances, are based on difficult and subjective valuations and estimates that are based on past experience and assumptions that are from time to time considered reasonable and realistic under the related circumstances. The final results of the financial statements item for which these estimates and assumptions have been used might be different, even significantly, from those reported in the financial statements due to the uncertainty characterising the assumptions and conditions on which estimates are based. The estimates and assumptions are periodically reviewed and the effects of any changes are reflected in the income statement, if they only involve that period. If the review involves both the current and future periods, the change is recognised in the period in which the review takes place and in the related future periods.

The final results could differ, also significantly, from these estimates following possible changes in the factors considered in determining these estimates.

A brief description follows of the main accounting standards requiring more subjectivity on behalf of the directors in the processing of the estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data:

i) Impairment of assets

Pursuant to the accounting standards applied by the Company, the tangible and intangible assets with a definite useful life are tested for impairment which is recognised as a write-down if there are indications that the related net book value will be difficult to recover through use. The verification of the existence of these indications requires the directors to make subjective measurements based on information available within the company and the market, as well as based on past experience. Furthermore, when impairment is considered to have occurred, the company will determine the extent through the use of appropriate valuation techniques. Correct identification of the elements of impairment and the estimates for determination of the impairment itself depend on factors that may change over time thereby influencing the measurements and estimates made by the directors.

ii) Amortisation/Depreciation

The amortisation and depreciation of fixed assets is a significant cost for the Company. The cost of intangible, tangible fixed assets and investment properties is amortised/depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of the Company's fixed assets is determined by the directors at the time the fixed asset is acquired; it is based on past experience with similar fixed assets, market conditions and expectations regarding future events that could have an impact on the useful life. Therefore, the actual economic life could differ from the estimated useful life. The Company periodically evaluates technological changes and changes in the sector in order to update the residual useful life. The periodic updating could result in a change in the amortisation/depreciation period and therefore also the amortisation/depreciation rate in future years.

iii) Provisions for risks and charges

Provisions are made for legal and tax risks to cover the event of a negative outcome. The value of the provisions relating to these risks represents the best estimate made by the directors on that date. The estimate involves the use of assumptions that depend on factors that could change over time and could therefore have effects compared to the current estimates made by the directors for the preparation of the company's statutory financial statements.

iv) Taxes

The recognition of deferred tax assets is carried out on the basis of expectations regarding income in future years. The valuation of the income expected for the purposes of recognition of the deferred taxes depends on factors that could vary over time and significantly affect the measurement of the deferred tax assets.

v) Fair value of derivative financial instruments

The fair value is the price which would be received for the sale of an asset or which would be paid for the transfer of a liability in a regular transaction on the main market (or on that most advantageous if a main market does not exist) as at the date of valuation and under current market conditions, irrespective of the fact that this price can be directly observed or that it is estimated using another valuation technique. In detail, it is necessary to consider the characteristics of the participant in the market with reference to the assets and liabilities so as to determine the price as of the valuation date. The fair value of financial instruments listed on an active market is based on the market prices on the financial statement date. The fair value of financial instruments which are not listed on an active market on the other hand is determined through the use of valuation techniques based on a series of methods and assumptions linked to market conditions on the financial statements date.

Following is the fair value classification of Financial Instruments based on the following hierarchical levels:

Level 1: Fair value determined on the basis of listed prices (not adjusted) on active markets for identical financial instruments to which the company has access as of the valuation date;

Level 2: Fair value determined using valuation techniques which make reference to variables which can be observed

directly or indirectly on active markets, other than listed prices;

Level 3: Fair value determined using valuation techniques which make reference to market variables which cannot be observed taking into account the best information available as of the date.

The company to-date uses level 2 input and the instruments present in the portfolio of the company are OTC (Over The Counter). The valuations at fair value of the financial instruments are made on the basis of financial models considered to be market standards. In particular, steps were taken:

- to determine the current value net of the future flows for swaps;
- to calculate the market value obtained via the Black & Scholes model for options (Collar).

The input data used for the valuation of the models is represented by observable market parameters available on the main financial info-providers.

vi) Residual value of the investment properties

According to the provisions of IAS 40, the amortisable cost of the investment properties is determined by deducting its residual value. The residual value of the investment properties is determined as the estimated value that the entity could receive at that time from its disposal, net of the estimated disposal costs. The Company periodically reviews the residual value and assesses the recoverability on the basis of the best information available as of that date. This periodic updating could result in a change in the amortisation/depreciation rate in future years.

5 Management of financial and operating risks

The activities carried out by the company expose it to various types of risk, which include market risk (interest rate risk, price risk and exchange rate risk), liquidity risk and credit risk.

In this section we provide information regarding the exposure of the company to each of the risks indicated above, the objectives, policies and management processes applied to such risks and the methods used to assess them, as well as the management of the Group capital. Furthermore, these financial statements include additional quantitative information. The management of the company's risk focuses on the volatility of financial markets and seeks to minimize potential undesirable effects on the financial and economic performance of the same.

The overall responsibility for the creation and supervision of a risk management system for the company lies with the Board of Directors. The company's strategy for the management of financial risks is compliant and coherent with the corporate goals defined by the Company's Board of Directors within the sphere of the strategic plans from time to time approved and is aimed at managing and controlling these risks.

Credit risk

The credit risk is the risk that a customer or one of the counterparties to a financial instrument causes financial losses by failing to fulfil an obligation and derives mainly from trade receivables and the financial investments of the company.

In order to define the strategies and guidelines for the trade receivables policy, grant credit facilities to customers, disperse the credit risk, monitor the solvency of customers and start debt recovery operations, the company established the position of Credit Manager and issued an organisational procedure for credit management.

The prospects for the recovery of credit are assessed position by position, taking into account the indications of the office managers and internal and external legal advisors who follow the recovery process.

Receivables for which there is a probability of loss as at the date of the financial statements are written down.

It should also be pointed out that the Company has received sureties and/or guarantee deposits covering approximately one quarter of the total annual rents.

The following table shows the company's exposure to credit risk:

(in thousand of EUR)	**31 Dec. 2013**	**31 Dec. 2012**
Current trade receivables	78,745	81,972
Other current assets	2,079	2,731
Non-current financial assets (including derivatives)	-	-
Other non-current assets	774	1,290
Current financial assets (including derivatives)	-	-
Cash & cash equivalents	19,196	26,995
Non-current trade receivables	4,868	5,899

Construction contracts	8,530	12,230
Total exposure net of writedown allowance	**114,193**	**131,117**

The following table shows the exposure to credit risk by counterparty.

(figures in %)	31 Dec. 2013	31 Dec. 2012
Ordinary customers	88%	84%
Other creditors	12%	16%
Total exposure net of writedown allowance	**100%**	**100%**

The amount of the financial assets considered to be doubtful with regard to recovery and which are of a non-significant amount, is covered by appropriate provisions to the allowance for doubtful receivables.

The following tables provide a breakdown of the assets as at 31 December 2013 and 2012, grouped by maturity, net of the allowance for doubtful receivables.

(figures in %)		31 Dec. 2013				
		Past due by				
	Falling due	**0-30**	**31-120**	**121-365**	**Beyond 1 year**	**Total**
Ordinary customers	65%	2%	9%	8%	17%	100%
Financial institutions	100%					100%
Other creditors	0%		18%	75%	7%	100%

(figures in %)		31 Dec. 2012				
		Past due by				
	Falling due	**0-30**	**31-120**	**121-365**	**Beyond 1 year**	**Total**
Ordinary customers	51%	14%	11%	9%	16%	100%
Financial institutions	100%					100%
Other creditors	23%		17%	75%	8%	100%

Liquidity risk

The liquidity risk is the risk that an entity may find it difficult to fulfil the obligations associated with financial liabilities to be settled through the delivery of cash or other financial assets.

The loans taken out to finance the refurbishment of both station complexes and property investments have all been paid out and are structured on the basis of the estimated future cash flows expected from the lease agreements.

It is hereby noted that during 2013 - further to the activation of the procedures involving direct disbursement - a tranche of EUR 24,679 million was collected for the grants of the "Legge Obiettivo" works.

Grandi Stazioni, which aims to prudently manage liquidity risk which originates from normal operations, utilises leading financial institutions in the banking system, from which it has received committed and uncommitted credit facilities granted to cover liquidity needs. As at 31 December 2013, Grandi Stazioni had credit facilities amounting to EUR 66 million of which EUR 2.6 million used for the issue of sureties and EUR 25 million for short-term loan transactions covering temporary working capital needs.

The contractual maturities of the financial liabilities, including interest to be paid, are shown in the following table (*amounts in thousands of EUR*):

31 December 2013	Book value	Contractual cash flows					
		Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities							
Bank loans	178,371	194,277	33,699	8,701	17,641	55,100	79,136
Trade payables	97,952	97,952	52,481	45,471			
Derivative financial liabilities							
Interest rate swaps	6,176	7,376	826	822	1,549	3,253	926
Interest rate collars and interest rate caps	482	569	139	140	209	81	
Total	**282,981**	**300,174**	**87,145**	**55,134**	**19,398**	**58,434**	**80,063**

31 December 2012	Book value	Contractual cash flows					
		Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities							
Bank loans	169,217	186,485	8,972	8,663	17,416	54,133	97,301
Trade payables	108,732	108,732	65,623	43,100			
Derivative financial liabilities							
Interest rate swaps	8,805	9,297	844	836	1,641	4,015	1,961
Interest rate collars and interest rate caps	814	849	148	148	277	276	0
Total	**287,568**	**305,364**	**75,597**	**52,747**	**19,334**	**58,424**	**99,262**

Non-derivative financial liabilities

31 December 2013	Total book value	Book value maturities				
		Within 12 months	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities						
Bank loans	178,371	32,860	7,899	15,914	48,744	72,954
Total	**178,371**	**32,860**	**7,899**	**15,914**	**48,744**	**72,954**

31 December 2012	Total book value	Book value maturities				
		Within 12 months	6-12 months	1-2 years	2-5 years	Beyond 5 years
Non-derivative financial liabilities						
Bank loans	169,217	8,109	7,821	15,759	48,238	89,566
Total	**169,217**	**8,109**	**7,821**	**15,759**	**48,238**	**89,566**

The contractual flows of floating rate financial liabilities have been calculated using the forward rates estimated as at the financial statement closing date.

With regard to the stratification of the flows expected from derivative financial instruments please see the "Exchange risk" and "Interest rate risk" sections below.

Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market rates, changes in exchange rates, interest rates or the prices of equity instruments. The purpose of managing the market risk is to handle and maintain the company's exposure to this risk within acceptable levels, while optimising return from investments. The company uses hedges in order to handle the volatility of results.

Fair value of a derivative contract is determined using the official prices for instruments traded on organised markets. The fair value of instruments not listed on organised markets is determined using measurement techniques appropriate for each type of financial instrument and market data as of the close of the period (such as interest rates, exchange rates, and volatility), discounting expected cash flows on the basis of the market interest rate curve at the reference date and translating amounts in currencies other than the Euro using year-end exchange rates provided by the European Central Bank.

For more detailed information, please see the matters illustrated in the previous section 4.

The notional value of a derivative contract is the amount on the basis of which flows are exchanged. The notional amounts of derivatives reported here do not represent amounts exchanged between the parties and therefore are not a measure of the Company's credit risk exposure.

The financial liabilities relating to derivative instruments owned by the company are cash flow hedge derivatives, concerning the hedging of the risk of changes in cash flows or the exchange rate risk connected to long-term indebtedness indexed at a floating rate.

Exchange risk

During the period the company did not carry out any transactions in foreign currency and therefore there are no risks relating to fluctuations in exchange rates.

Interest rate risk

During the meeting on 20 March 2009, the Board of Directors of Grandi Stazioni decided to implement additional hedges with respect to those already in existence in order to increase the ratio between the hedged value and the exposure to floating rates in relation to existing loan contracts by 50%.

The company is exposed to interest rate risk in relation to medium/long-term loans. Loans bearing floating interest rates expose the company to the risk of changes in interest rates. The company's policy envisages keeping approximately 44% of the medium/long-term loans at a fixed rate, converting floating rate loans to fixed rate through the use of hedges. In 2013 and 2012 of the floating rate loans were denominated in Euro.

The instruments envisaged were traditional derivatives (such as, for example, IRS, FRA, COLLAR, CAP). As at 31 December 2013, Interest Rate Swaps and Interest Rate Collars were again used.

The credit risk policy for transactions in derivatives has been defined for Grandi Stazioni and the other major companies belonging to the FS Group.

In order to avoid concentrations of this credit risk, it was established that no counterparty could assume positions in excess of 30% of the notional value of the debt being hedged and the minimum rating would have to be at least equal to “A-.”

As at 31 December 2013, the Grandi Stazioni had 3 ISDA Master Agreements with leading Italian and international institutions possessing the required credit rating and its transactions were contained within the afore-mentioned concentration limits. Neither counterparty holds a notional value of derivatives equal to more than 30% of the debt portfolio being hedged.

The loans taken out by the Company are normally settled at a floating rate increased by a spread. The economic results of the Company are therefore significantly influenced by the performance of interest rates.

The Company’s policy is to minimise the risk linked to interest rates as much as possible over the medium-term, so as to remain essentially exposed only to the risks linked to property assets.

As at 31 December 2013, the following hedges were outstanding:

- IRS with RBS (Royal Bank of Scotland) entered into in 2009 to hedge the EIB loan, with a notional value of EUR 20 million and an amortising structure with a fixed rate of 3.635%; maturity is on 30 June 2023;
- IRS with Credit Agricol entered into in 2009 to hedge the EIB loan, with a notional value of EUR 30 million and an amortising structure with a fixed rate of 3.738%; maturity is on 30 June 2023;
- Collar with BNP Paribas entered into in 2010 to cover the EIB loan, with a notional value of EUR 25 million and amortising structure with a cap rate of 3.96%, a floor of 1.25% and a spread of 0.25%; maturity is on 31 December 2016;

All the contracts indicated are qualified as cash flow hedges. The expiry of these contracts does not exceed the maturity of the underlying financial liabilities so that any change in fair value and/or expected cash flows of these contracts is balanced by a corresponding change in the fair value and/or expected cash flows of the underlying position.

Interest rate swaps usually provide for the periodic exchange of flows of interest at floating rates against flows of interest at fixed rates, both calculated on the same notional reference capital.

Interest rate options provide for the periodic payment of an interest rate differential calculated on a notional capital reference, once specific predefined values are achieved (the strike). These threshold values determine the maximum rate (the cap) or minimum rate (the floor) at which the indebtedness will be index-linked as a result of the hedge.

Interest rate options are usually entered into when the fixed interest rate achievable through an interest rate swap is considered to be too high with respect to the expectations of the company on future interest rates. In addition, the use of interest rate options is considered appropriate in periods of uncertainty regarding the future performance of rates, making it possible to benefit from any interest rate decreases.

The following table shows the medium/long-term fixed and floating rate loans (including the short-term portion):

Medium/long-term loans (including the short-term portion)				**Contractual cash flows**		
				Portion of the notional value maturing between		
	Accounting balance	**Notional value**	***Current notional value***	***1 and 2 years***	***2 and 5 years***	***Beyond 5 years***

- floating rate	178,371	153,371	15,759	15,914	48,744	72,954
Balance as at 31 December 2013	**178,371**	**153,371**	**15,759**	**15,914**	**48,744**	**72,954**
- floating rate	169,217	169,492	15,930	15,759	48,238	89,566
Balance as at 31 December 2012	**169,217**	**169,492**	**15,930**	**15,759**	**48,238**	**89,566**

The following table shows the percentage of medium/long-term fixed and floating rate loans (including the short-term portion):

Medium/long-term loans (including the short-term portion)

	31 Dec. 2013	31 Dec. 2012
Prior to hedging with derivatives		
- floating rate	100%	100%
- fixed rate	0%	0%
After hedging with derivatives		
- floating rate	51%	56%
- protected floating rate	16%	15%
- fixed rate	33%	29%

It is hereby noted that the company has no transactions of a speculative nature or which are not connected to its own debt position.

Sensitivity analysis is presented below, highlighting the effects which would be registered in terms of change in the financial expense in the presence of a change of +/- 50 basis points in the Euribor rates applied to loans payables during 2013.

+50 bps additional cost hypotheses	31 Dec. 2013	31 Dec. 2012
Additional costs for interest	827	908
Minor costs for SWAPs	(380)	(296)
Total	**447**	**611**
IRES (company earnings' tax)	27.50%	27.50%
Net impact	**324**	**443**
-50 bps additional cost hypotheses	**31 Dec. 2013**	**31 Dec. 2012**
Additional costs for interest	(827)	(908)
Greater costs for SWAPs	380	333
Total	**(447)**	**(575)**
IRES (company earnings' tax)	27.50%	27.50%
Net impact	**(324)**	**(417)**

If the interest rates in the years ended 31 December 2013 and 2012 have been 50 basis points higher, with all other variables being equal, the profit for the year net of the tax effect would have been lower by EUR 0.324 million and EUR 0.443 million respectively. On those same dates, if the interest rates have been 50 basis points lower, with all other variables being equal, the profit for the year would have been higher by EUR 0.324 million and EUR 0.417 million respectively.

In conclusion, the "Hedging derivatives fair value sensitivity" table is presented, which indicates the balance sheet effects which would be registered on the value of the derivatives should an increase or decrease of 50 basis points take place in the Euribor interest rates.

	Shift + 50 bps	Shift - 50 bps

Fair value hedging derivatives	1,755	(1,886)

Capital management

The company's objective insofar as capital management is concerned is mainly to ensure the ongoing nature of the company so as to guarantee the returns to the shareholders and the benefits for other stakeholders. The company has also set for itself the objective of maintaining an optimal capital structure so as to reduce borrowing costs.

Financial assets and liabilities by category

In order to complete the information provided on financial risks, the table below provides a reconciliation between financial assets and liabilities as shown in the statement of financial position and the financial asset and liability category indicated based on the requirements of IFRS 7 (*in EUR thousands*):

31 Dec. 2013	Receivables and loans	Payables and loans due	Hedging derivatives
Non-current trade receivables	4,868		
Current financial assets (including derivatives)	13,785		
Cash and cash equivalents	19,196		
Tax receivables	520		
Other non-current assets	774		
Construction contracts	8,530		
Current trade receivables	78,745		
Other current assets	2,079		
Medium/long-term loans		137,568	
Non-current financial liabilities (including derivatives)			6,659
Other non-current liabilities		3,425	
Short-term loans and current portion of medium/long-term loans		40,802	
Current trade payables		97,952	
Other current liabilities		9,458	

31 Dec. 2012	Receivables and loans	Payables and loans due	Hedging derivatives
Non-current trade receivables	5,899		
Current financial assets (including derivatives)	4,836		
Cash and cash equivalents	26,995		
Tax receivables	777		
Other non-current assets	1,290		
Construction contracts	12,230		
Current trade receivables	81,972		
Other current assets	2,731		
Medium/long-term loans		153,260	
Non-current financial liabilities (including derivatives)			9,619
Other non-current liabilities		4,101	
Short-term loans and current portion of medium/long-term loans		15,956	
Current trade payables		108,732	
Other current liabilities		7,559	

Analysis of the statement of financial position items

6 Property, plant and machinery

The table below shows the property, plant and machinery at the start and end of the year, together with the related changes. It should be noted that there were no changes in the estimated useful life of these assets during 2013.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Construction in progress and advance payments	Leased assets	Total
Historical cost	94,062	94,619	1,058	6,495	177,259	1,014	374,508
Depreciation and impairment losses	(8,896)	(20,537)	(1,027)	(5,307)	(418)	(989)	(37,174)
Grants	-	(18,747)		-	(55,346)	-	(74,093)
Balance as at 31 Dec. 2012	**85,166**	**55,335**	**31**	**1,188**	**121,496**	**25**	**263,241**
Investments		204		906	42,628		43,738
Entry into service	9,770	10,808		450	(21,028)		-
Depreciation	(3,397)	(8,654)	(11)	(969)		(3)	(13,035)
Impairment losses					(380)		(380)
Sales and disposals - historical cost	(1,505)	(312)		(138)	(4,652)	(36)	(6,643)
Sales and disposals - acc. depreciation	96	35		138		12	282
Increases in grants for the period					(24,679)		(24,679)
Other reclassifications							-
Total changes	**4,963**	**2,082**	**(11)**	**387**	**(8,111)**	**(27)**	**(717)**
Historical cost	102,326	105,319	1,058	7,713	194,209	979	411,604
Depreciation and impairment losses	(12,197)	(29,156)	(1,038)	(6,138)	(798)	(979)	(50,307)
Grants	-	(18,747)	-	-	(80,026)	-	(98,773)
Balance as at 31 Dec. 2013	**90,129**	**57,416**	**20**	**1,575**	**113,385**		**262,524**

The increases in the item Construction in progress and advance payments totalling EUR 42,628 thousand in 2013 refer to the capitalisation of external and internal costs mainly concerning design and work costs for the renovation activities underway at the Venezia, Genova, Verona, Bologna, Firenze, Bari and Palermo Centrale stations. The change reported in the investments of "other assets" is mainly due to the purchase of new video walls for stations instrumental to media activities (for around EUR 431 thousand) and new IT equipment (for around EUR 426 thousand). In this connection, it is emphasised that the assets belonging to the advertising system purchased in December 2012 from the supplier Vidion were subject to a new impairment test which confirmed the retention of the value on the assets in question.

Assets entering into service for a total of EUR 21,028 thousand concerned: the item Buildings for EUR 9,770 thousand and Plant and machinery for EUR 10,808 thousand, for the bringing onto stream during the year of the works accomplished at the following stations: Venezia Santa Lucia, Firenze Santa Maria Novella, and other measures at the stations of Roma Termini and Torino Porta Nuova.

The impairment loss registered under construction in progress and advance payments for EUR 380 thousand was due to the classification in the income statement of preliminary and final planning costs which - previously capitalised - did not see their natural continuation in investment projects in the executive stage. The sales and disposals reported respectively for EUR 1,409 thousand (net of the accumulated depreciation) under land and buildings and for EUR 277 thousand (net of the accumulated depreciation) under plant and machinery and under construction in progress and advance payments for EUR 4,652 thousand derive - with regard to the first two - from value adjustments on investments which came into service in previous years, while the latter mainly from up-grading work carried out by the company on behalf of RFI (Rete Ferroviaria Italiana) whose fees were recognised, only afterwards, by said RFI.

The operating grants totalling EUR 98,773 thousand refer to: EUR 18,747 for former Jubilee 2000 grants received by the company for the construction of the Roma Termini station; EUR 80,026 thousand for work under way for the "additional station complex work," approved as part of the strategic infrastructure program (Law 443/2001 – the so-called "Legge Obiettivo"). EUR 24,679 thousand was collected during the year for this latter form of funding, in the presence of Work stage of completion reports presented to the competent ministerial bodies.

7 Investment Property

The following table lists the property investments and the changes in the same.

	2013		Total	2012		Total
	Land	Buildings	Item	Land	Buildings	Item
Balance as at 1 January						
Cost	10,925	50,763		10,925	42,891	
Accumulated depreciation	-	(17,143)		-	(15,240)	
Book value	**10,925**	**33,620**	**44,545**	**10,925**	**27,650**	**38,576**
Changes during the year						
Purchases					-	
Reclassifications	2,184	7,455			7,872	
Depreciation		(3,097)			(1,903)	
Reclassifications		(2,373)			-	
Total changes	**2,184**	**1,985**	**4,169**		**5,969**	**5,969**
Balance as at 31 December						
Cost	13,110	58,218		10,925	50,763	
Accumulated depreciation		(22,613)			(17,143)	
Book value	**13,110**	**35,605**	**48,714**	**10,925**	**33,620**	**44,545**

The item investment property includes the value of the properties bordering the stations of Napoli Centrale, Venezia Santa Lucia and the building complexes in Bologna and Florence. During the year, the value of the property in Genoa was reclassified (along with the related depreciation), previously stated under assets held for sale, due to the fact that the requirements requested for its recognition in said balance sheet item had ceased.

There are mortgages on the Florence, Bologna, Venice and Naples properties against loans originally totalling EUR 80 million.

The property investments indicated include various properties occupied by companies in the Ferrovie dello Stato Italiane Group and/or by third parties from which the parent company receives compensation for occupancy or lease fees. For more details on dealings with related parties, see note 45. Total lease revenues recorded in the period amounted to EUR 2,351 thousand (EUR 2,653 thousand in 2012) and the maintenance cost amounted to EUR 565 thousand (EUR 498 in 2012).

With regard to certain investment properties, the Company deemed it appropriate to up-date the appraisals made in previous years by an independent outside expert, with particular reference to the Genoa and Naples properties. The values of the estimates were in line with the historical cost net of the depreciation reckoned in the years of possession.

8 Intangible assets

The table below lists the intangible asset balances made up of just software and usage licences and accessory charges which increased during the year by EUR 917 thousand mainly due to investments made on the ERP-SAP system.

	Concessions, licences, trademarks and similar rights
Historical cost	5,848
Amortisation and impairment losses	(4,891)
Balance as at 31 Dec. 2012	**957**
Investments	917
Amortisation	(531)
Sales and disposals	(19)
Total changes	**367**
Historical cost	6,745
Amortisation and impairment losses	(5,421)
Balance as at 31 Dec. 2013	**1,324**

It is hereby noted that during 2013, the company did not incur research and development costs.

9 Prepaid tax assets and deferred tax liabilities

The following tables illustrate the balance of the prepaid tax assets and deferred tax liabilities, together with the changes that occurred in 2013:

	31 Dec. 2012	**Increase (decrease) booked in IS**	**Other changes**	**31 Dec. 2013**
Prepaid tax assets:				
Value differences on tangible and intangible assets	654	(226)		428
Provisions for risks and charges and impairment losses with deferred tax deductibility	5,085	(91)		4,994
Valuation of financial instruments	2,588		(805)	1,783
Other items	595	137		732
Total	**8,923**	**(180)**	**(805)**	**7,937**
Deferred tax liabilities:				
Differences on long-term financial assets	444			444
Income subject to deferred taxation	3,891	(2,211)		1,680
Valuation of financial instruments	73	(7)		66
Employee benefits	60		49	109
Capitalised financial charges	2,118	(97)		2,019
Total	**6,586**	**(2,317)**	**49**	**4,318**

Prepaid tax assets totalled EUR 7,937 thousand as at 31 December 2013, down by EUR 986 thousand compared to 31 December 2012. This difference is principally due to the re-absorptions registered in the timing differences that emerged for the allowance for doubtful receivables, the provision for risks and charges and the valuations of the derivative financial instruments.

There are no prior tax losses on which the Company could have recorded prepaid taxes.

The deferred tax liabilities totalled EUR 4,318 thousand as at 31 December 2013, down by EUR 2,268 thousand, mainly attributable to the re-absorption of the deferred taxes recorded on the capital gains generated on the sale of the former departmental office buildings in Venice and Rome, payable for tax purposes in instalments respectively during the current year and the next two years (just for the Rome capital gain).

10 Equity investments

The tables below show the opening and closing balances for the period under review, grouped by category, and the related changes that took place in 2013 and 2012 in equity investments.

	Original cost 31 Dec. 2012	Original cost 31 Dec. 2013
Equity investments in subsidiary companies	4,074	4,074
	4,074	**4,074**

	Net Value 31 Dec. 2012	Changes in the year					Net Value 31 Dec. 2013	Cumulative Writedown Provision
		Purchases / subscriptions	Disposals/ reimbursements	Writedowns/ writebacks	Reclassifications	Other changes		
Equity investments in subsidiary companies								
Grandi Stazioni Ingegneria S.r.l.	20						20	
Grandi Stazioni Ceska Repubblica Sro	4,054						4,054	
	4,074	**-**	**-**	**-**	**-**	**-**	**4,074**	

The list of equity investments in subsidiaries currently owned by the company and a comparison between the book values and the corresponding portion of shareholders' equity owned, are presented below.

	Registered offices	Share capital	Profit (loss) for the period	Shareholders' equity as of 31 Dec. 2013	% holding	% of shareholders' equity (a)	Book value as at 31 Dec. 2013 (b)	Difference (b) - (a)
Equity investments in subsidiary companies								
Grandi Stazioni Ingegneria S.r.l.	Rome	20	(38)	727	100%	727	20	(707)
Grandi Stazioni Ceska Repubblica Sro	Prague	7,950	1,836	12,962	51%	6,611	4,054	(2,556)
TOTAL		**7,970**	**1,798**	**13,689**		**7,338**	**4,074**	**(3,263)**

The significant differences recorded for both the companies, between the book value and the shareholders' equity, are due to the profits generated in previous years carried forward.

11 Current and non-current trade receivables

Trade receivables are analysed as follows:

	31 Dec. 2013			31 Dec. 2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Ordinary customers	4,868	60,988	65,856	5,899	61,728	67,627	(1,031)	(740)	(1,772)
Amounts due from Group companies		29,911	29,911	-	29,816	29,816	-	95	95
Subsidiaries		*673*	*673*	-	*690*	*690*	-	*(17)*	*(17)*
Parent Company		*1,067*	*1,067*	-	*2,209*	*2,209*	-	*(1,142)*	*(1,142)*
Other affiliated companies		*28,170*	*28,170*	-	*26,916*	*26,916*	-	*1,254*	*1,254*
Total	**4,868**	**90,899**	**95,767**	**5,899**	**91,544**	**97,443**	**(1,031)**	**(645)**	**(1,676)**
Allowance for doubtful receivables		(12,153)	(12,153)	-	(9,572)	(9,572)	-	(2,581)	(2,581)
Third parties		*11,714*	11,714	-	*9,433*	*9,433*	-	2,281	2,281
Group		*439*	439	-	*139*	*139*	-	300	300
Total net of allowance	**4,868**	**78,745**	**83,613**	**5,899**	**81,972**	**87,871**	**(1,031)**	**(3,226)**	**(4,258)**

Trade receivables as at 31 December 2013 decreased overall with respect to the previous year by EUR 4,258 thousand; "current" receivables fell EUR 3,226 thousand, while "non-current" receivables fell by EUR 1,031 thousand. The improvement is due to both the reduction in the closing balances vis-à-vis both the Group companies and third party customers, thanks to the widespread action for recovery of receivables which continued in a systematic manner throughout the entire period, and the increase in the allowance for doubtful receivables. The latter, in particular, during the year, was used for a total of EUR 3,955 thousand for receivable positions definitively non-collectable or settled, released for EUR 63 thousand. Furthermore, following the indications of difficulty that became apparent in certain past due positions which present an increase with specific reference to the more mature positions relating to both media customers and tenants, it was deemed advisable to increase the allowance for doubtful receivables by a total of EUR 6,599 thousand, so as to reach a total balance of EUR 12,153 thousand. It should be emphasised that the allowance for doubtful receivables includes provisions for EUR 1,763 thousand relating to default interest accrued, but not collected, vis-à-vis customers in relation to late payments. This amount was classified - for an equal balance - under financial income for the period.

The ageing of the receivables as at the financial statement date is shown below:

	Gross value 31 Dec. 2013	Writedown 31 Dec. 2013	Gross value 31 Dec. 2012	Writedown 31 Dec. 2012
Not yet due	61,969	(1,763)	49,303	
Past due by 0-30 days	1,832		13,386	
Past due by 31-120 days	8,715		10,531	
Past due by 121-365 days	7,442	(3,098)	8,391	(3,750)
Beyond 1 year	15,809	(7,292)	15,832	(5,822)
Total	**95,767**	**(12,153)**	**97,443**	**(9,572)**

It is hereby noted that the main customers from which over 10% of total company's revenues derived in 2012 and 2013 are the following:

- Rete Ferroviaria Italiana with EUR 51,150 thousand in 2012 and EUR 55,761 thousand in 2013;
- Trenitalia with EUR 29,299 thousand in 2012 and EUR 30,387 thousand in 2013.

The afore-mentioned revenues are all related to the company's core business operations involving the lease and management of the spaces.

The maximum exposure to credit risk, shown by geographic region, is the following:

	31 Dec. 2013	31 Dec. 2012	Changes
Italy	83,360	87,848	(4,488)
Euro zone countries	253	23	230
Total	**83,613**	**87,871**	**(4,258)**

12 Other current and non-current assets

The item is broken down as follows:

	31 Dec. 2013			31 Dec. 2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Other tax receivables	772	626	1,398	1,288	1	1,289	(516)	625	108
VAT credits									
IRES (company earnings tax) for tax consolidation					615	615		(615)	(615)
Sundry debtors	2	1,051	1,053	2	1,885	1,887		(834)	(834)
Accrued income and prepaid expenses		402	402		230	230		172	172
Total	**774**	**2,079**	**2,853**	**1,290**	**2,731**	**4,021**	**(516)**	**(652)**	**(1,169)**
Allowance for doubtful receivables									
Total net of allowance	**774**	**2,079**	**2,853**	**1,290**	**2,731**	**4,021**	**(516)**	**(652)**	**(1,169)**

The other "non-current" tax credits refer mainly to: the Irpeg credit of EUR 772 thousand as at 31 December 2013 (due beyond 12 months), transferred from Ferrovie dello Stato S.p.A. in 2004, used in each accounting period to the maximum limit envisaged by applicable legislation (Italian Legislative Decree No. 241/97). Sundry debtors amounting to EUR 2 thousand concern guarantee deposits.

The change in "current" sundry debtors is mainly due to the closure of advances paid to "media" suppliers under dispute in relation to which, further to the first instance sentence which was unfavourable for the company, the requalification under period costs or the partial use of the provisions for risks and charges previously provided has come about.

Accruals and deferrals refer to portions of cost to be deferred to the following year for insurance premiums paid in advance.

All the receivables in this financial statement item refer to Italy.

13 Construction contracts

Construction contracts are made up as follows:

Construction contracts	31 Dec. 2013	31 Dec. 2012	Changes
Contract work in progress	41,356	38,555	2,801
Allowance for doubtful receivables	(634)	(165)	(469)
Net value	**40,722**	**38,390**	**2,332**
Advance payments	(32,192)	(26,160)	(6,032)
Net value	**(32,192)**	**(26,160)**	**(6,032)**
Total construction contracts	**8,530**	**12,230**	**(3,700)**

The construction contracts referring to orders not completed as at 31 December 2013 were recognised under inventories, based on the contractual amounts disciplined by contracts entered into mainly with RFI S.p.A. and Trenitalia S.p.a. (both companies belonging to the FS Group).

The decrease in the construction contracts item as at 31 December 2013 compared to the previous year of EUR 3,700 thousand is due to the combined effect of: an increase of EUR 2,801 thousand for the increase in the contractual amounts accrued in the year for work completed, net increase in the allowance for doubtful receivables of EUR 469 thousand, and decreases of EUR 6,032 thousand for advances received mainly from RFI and Trenitalia.

The table below shows the changes in the allowance for doubtful receivables during the period, with the provisions and releases relating to the expected losses.

	Balance as at 31 Dec. 2012	Provisions	Uses	Release of excess allowances	Balance as at 31 Dec. 2013
Construction contracts writedown allowance	**165**	597		(128)	634
TOTAL	**165**	**597**	**-**	**(128)**	**634**

14 Current and non-current financial assets (including derivatives)

The table below shows the changes in financial assets at the end of the two periods compared.

	Book value								
	31 Dec. 2013			31 Dec. 2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Financial assets									
- Other financial receivables (from parent company)		13,785	13,785		4,836	4,836		8,949	8,949
		13,785	**13,785**		**4,836**	**4,836**		**8,949**	**(8,949)**

The financial receivables from the parent company consist entirely of the balance of the intercompany current account held by Ferrovie dello Stato Italiane S.p.A. as at 31 December 2013, through which the collections and payments relating to economic dealings with companies belonging to the FS Group transit, (in addition to the same parent company FSI, Ferservizi, Italferr, RFI and Trenitalia). This current account relationship takes place at arm's length and based on a contract that envisages a receivable interest rate equal to the average monthly Euribor minus a spread of 0.175% per annum. The average rates applied for 2012 and 2013 are respectively equal to: 0.199% and 0.013%.

15 Cash & cash equivalents

The item is broken down as follows:

Description	31 Dec. 2013	31 Dec. 2012	Changes
Bank and post office deposits	19,192	26,989	(7,797)
Cash and equivalents on hand	4	6	(2)
Total	**19,196**	**26,995**	**(7,799)**

The current year end balance presents a decrease compared to the prior year abundantly offset by the increases recorded in the intercompany current account as per section 14 above; it represents the cash and cash equivalents as at 31 December 2013.

16 Tax receivables

The tax receivables as at 31 December 2013 disclosed a balance of EUR 520 thousand, due to the differential between the advances paid and the amounts set aside in the current year for IRAP. The change is due to the minor advances paid at the time of the second advance in November 2013.

	31 Dec. 2013	31 Dec. 2012	Changes
IRAP credit (regional business tax)	520	777	(257)
Total	**520**	**777**	**(257)**

17 Current assets held for sale

As at 31 December 2013, the item "non-current assets held for sale" presented a zero balance due to the reclassification of the value under "Investment properties" previously commented on in section 7, made further to the reclassification of the value of the Genoa Property due to the cessation of the requirements requested for classification in this item.

Assets held for sale	31 Dec. 2013	31 Dec. 2012	Changes
Buildings and trading land		7,266	(7,266)
Total assets held for sale		**7,266**	**(7,266)**

18 Shareholders' equity

Grandi Stazioni S.p.A.'s goals with regard to the management of capital are based on the creation of value for shareholders, guaranteeing the interests of stakeholders and safeguarding the status of the company as an going-concern, as well as maintaining an adequate level of capitalisation so as to enable the strengthening of the equity and financial structure of the Company, also in consideration of the significant investments currently being made.

The changes that occurred during 2013 regarding the main items making up shareholders' equity are shown analytically in the statement which follows the financial statements schedules.

Share capital

The share capital of the company as at 31 December 2013, fully subscribed and paid up, consists - as it did in 2012 - of 83,334 ordinary shares with a par value of EUR 51.65 each, totalling EUR 4,304,201.10. As at 31 December 2013, based on the results of the shareholders' register, the share capital was 60% held by Ferrovie dello Stato Italiane S.p.A. and 40% by Eurostazioni S.p.A..

Legal reserve

The legal reserve, totalling EUR 861 thousand, was unchanged compared to 31 December 2012, as it had reached the limit as indicated in Article 2430 of the Italian Civil Code (20% of the share capital).

Extraordinary reserve

The extraordinary reserve is a result of the allocation of profits from previous years which were not distributed. This reserve has therefore increased by EUR 3,855 thousand in 2013.

Share premium reserve

The share premium reserve, which amounts to EUR 58,309 thousand, dates back to the share capital increase transaction which took place on 28 July 2000 and has not changed when compared to the previous year.

Reserve for actuarial gains (losses) for employee benefits

The item amounts to less than EUR 216 thousand and includes just the portion of gains/(losses) deriving from the actuarial calculation booked in full to shareholders' equity, in the reference period, taking into account the related deferred tax effect.

Reserve for fair value valuation on derivatives - Cash flow hedge

The item amounts to less than EUR 4,701 thousand and includes the effective portion of the net accumulated change in fair value from the cash flow hedges relating to hedging transactions that had not yet taken place taking into account the related tax effect. The positive change of EUR 2,123 thousand reported during the year is the consequence of the adjustment of the instruments in question to fair value at year end. For additional details please see note 5 under section "interest rate risk" and note 22 """Non-current financial liabilities (including derivatives).

Retained earnings

The retained earnings amount to EUR 9,387 thousand and refer to the reserves deriving from first-time adoption of the IAS net of the actuarial valuation reserves and the cash flow hedges mentioned above.

Result for the year

The result for the period amounts to EUR 8,294 thousand. The decrease compared to the previous period is mainly due to the extraordinary transactions that characterized the current period.

The Company - following the resolution of the shareholders' meeting which took place on 27 May 2013 - took steps to distribute dividends, as the portion of the profits for 2012 amounting to EUR 15,517 thousand.

The table below shows the origin, availability and possibility of distribution of the shareholders' equity items as well as their use over the last three years.

Origin	Balances at 31 Dec. 2013 (a+b)	Restricted portion (a)	Unrestricted portion (b)	Distributable portion of (b)	Summary of uses in last three years			
					Share capital increase	Coverage of losses	Distribution to shareholders	Other (to be specified)
Share capital	**4,304**							
Capital reserves:								
Share premium reserve	58,309		58,309	58,309				
Income reserves:								
Legal reserve	861		861					
Extraordinary reserve	68,324		68,324	68,324				
IAS 19 reserve	(216)	(216)						
IAS 39 reserve	(4,701)	(4,701)						
FTA reserve	9,387	6,663	2,724					
TOTAL	**136,267**	**1,746**	**130,217**	**126,633**				

19 Medium/long-term and short-term loans

The note below shows the contractual terms and conditions that govern the medium/long-term loans and the related current portion measured at amortised cost; the loans are shown by type in the table below:

	Book value		
Medium/long-term loans	**31 Dec. 2013**	**31 Dec. 2012**	**Changes**
Bank loans	137,568	153,260	(15,692)
Total	**137,568**	**153,260**	**(15,692)**

Short-term loans	**31 Dec. 2013**	**31 Dec. 2012**	**Changes**
Bank loans (short-term)	40,802	15,956	24,846
Total	**40,802**	**15,956**	**24,846**
Total loans	**178,371**	**169,217**	**9,154**

As regards the breakdown of the contractual maturities of these financial liabilities, inclusive of interest to be paid, see note 5 ("Risk management"), section entitled "Liquidity risk".

The terms and conditions for outstanding loans are as follows:

Creditor	Currency	Nominal interest rate	Year of maturity	31 Dec. 2013		31 Dec. 2012		Change	
				Nom. value	Book value	Nom. value	Book value	Nom. value	Book value
Intesa San Paolo mortgage loan – Bologna\Florence property	EUR	Euribor 6 months +0.95%	2022	12,002	12,008	13,125	13,132	(1,123)	(1,124)
Intesa San Paolo mortgage loan – Venice/Naples property	EUR	Euribor 6 months +0.95%	2022	36,005	36,025	39,375	39,395	(3,370)	(3,370)
Bipop Carire	EUR	Euribor 6 months +0.80%	2013			325	326	(325)	(326)
EIB loan	EUR	Euribor 6 month + floating spread	2023	105,556	105,320	116,667	116,365	(11,111)	(11,045)
ISP short-term loan	EUR	0.97%	27 Jan. 2014	15,000	15,013			15,000	15,013
ISP short-term loan	EUR	1.15%	17 Feb. 2014	5,000	5,002			5,000	5,002
CREBERG short-term loan	EUR	1.80%	19 Feb. 2014	5,000	5,003			5,000	5,003
Total loans				**178,562**	**178,371**	**169,492**	**169,217**	**9,070**	**9,154**

The book values of the loans detailed in the above table are representative of the related fair values.

The loans refer to:

- the loan taken out by the company with Intesa San Paolo (former Banca Infrastrutture Innovazioni e Sviluppo - Infrastructures Innovations and Development Bank) due to the raising of two property mortgages secured by the properties in Venice, Naples, Florence and Bologna totalling EUR 80 million originally. Both of the contracts were entered into on 6 March 2003 for a twenty-year duration, and both provide for the payment of the interest only for the first three years and the return of the principal over the next 17 years at a floating rate equal to the six-month Euribor plus a spread of 0.95%. The change reported during the year was due to the reimbursement of the respective principal portions;
- the loan entered into with the EIB (European Investment Bank), by the company in April 2008 for EUR 150 million for refurbishment work within the stations. The transaction is guaranteed by Caylon Bank and Cassa Depositi e Prestiti S.p.A.. The duration is 15 years as from the first disbursement (30 June 2008); reimbursement is envisaged in six-monthly instalments at a constant capital rate from 30 June 2010 and with an interest rate equal to the offered six-month Euribor rate for a duration of six months increased or decreased by the number of basis points communicated by the Bank to the Company. In June 2008 and October 2008, two additional guarantees were entered into, respectively with Banca Caylon S.A. and Cassa Depositi e Prestiti S.p.A., to which six-monthly commission is payable, amounting to 45 basis points, to be calculated on the amount by way of principal of the payments made from time to time. The contract requires that the guarantor be informed regarding the methods of hedging the debt (historical with financial statement figures as at 31 December and forecast with budget figures) and as at 31 December 2013 this had been fulfilled. In relation to the loan, there are three derivative contracts outstanding as of 31 December 2013, commented on in note 22 to which reference is made. It is hereby noted that to cover the

costs for raising this loan, accessory charges were incurred which amounted to EUR 340 thousand used to reduce the value of the financial debt for the calculation of the amortised cost;

- three short-term loans for a total of EUR 25 million entered into with Intesa San Paolo and Credito Bergamasco, activating part of the credit facilities granted to the company, for temporary working capital requirements.

20 Employee leaving indemnity and other staff benefits

	31 Dec. 2013	31 Dec. 2012	Changes
Current value of leaving indemnity liabilities	1,924	2,073	(150)
Total current value of obligations	**1,924**	**2,073**	**(150)**

The following table shows the changes in the current value of the liabilities for defined-benefit obligations exclusively comprising the TFR (employee leaving indemnity).

Employee leaving indemnities *balance in EUR 000s*	31 Dec. 2013	31 Dec. 2012
Defined-benefit obligations at 1 January	2,073	1,840
Interest cost (*)	49	72
Actuarial (gains) losses recognised under shareholders' equity	(165)	295
Advances and uses	(32)	(134)
Liabilities for defined-benefit obligations as at 31 December	**1,924**	**2,073**

There are no assets serving the defined-benefits plan and the cost recognised in the income statement for 2012 and 2013 is made up exclusively by the financial charges deriving from discounting back the employee leaving indemnity (TFR), totalling EUR 72 thousand and EUR 49 thousand respectively.

Actuarial assumptions

The annual discount rate, used for determining the current value of the obligation, was taken - on a consistent basis with section 78 of IAS 19 - from the Iboxx Eurozone AA index with a duration of 10+ struck as of the valuation date. For such purposes, the return with a duration comparable with the duration of the group of workers subject to valuation was chosen.

The following is a summary of the main assumptions made in the actuarial process:

	31 Dec. 2013	31 Dec. 2012
Discounting back rate	3.17%	2.40%
Future increases in pensions (*annual rate of TFR increase*)	3%	3%
Expected rate of employee turnover	4.50%	4.50%
Expected rate of advances	1%	1%
Probability of demise	RG48	RG48

Assumptions regarding mortality are based on the statistics published and mortality tables.

Supplementary information required by the new IAS 19

Sensitivity analysis is presented below, highlighting the effects which would be registered in terms of change in the current value of the liabilities for defined-benefit obligations, further to changes in the reasonably possible actuarial hypotheses.

Balances in EUR 000s	31 Dec. 2013
Turnover rate +1%	1,932
Inflation rate + 0.25%	1,957
Inflation rate - 0.25%	1,892
Discounting back rate + 0.25%	1,876
Discounting back rate - 0.25%	1,973

The following tables provide indication of the contribution envisaged for the following year, the average financial duration of the obligation for defined-benefit plans and the disbursements envisaged by the plan.

Balances in EUR 000s	31 Dec. 2013
2014 service cost	0.00
Plan duration	10.8

Expected future disbursements

Year	*Balances in EUR 000s*
1	164
2	121
3	125
4	142
5	105

21 Provisions for risks and charges

The following table shows the balances at the beginning and end of the year and changes during 2013 in provisions for risks and charges:

Description	31 Dec. 2012	Provisions	Uses	Release of excess allowances	31 Dec. 2013
Disputes with personnel	550	370	(468)		452
Disputes with third parties:	7,868	1,983	(3,718)	(182)	5,952
Tax disputes	*929*	*129*	*(403)*	*(16)*	*639*
Civil disputes	*6,878*	*1,855*	*(3,280)*	*(140)*	*5,313*
Other charges	*61*	*0*	*(35)*	*(26)*	*0*
Total current and non-current	**8,418**	**2,353**	**(4,186)**	**(182)**	**6,404**

The provisions indicated above are stated in the income statement on the basis of their nature. The release is stated as adjusting the cost item previously affected by the provision.

Main civil and administrative disputes vis-à-vis third parties which arose in previous years

Disputes with agents

With regard to the lawsuits brought by Grandi Stazioni against the agents Publica S.r.l., Spaziale S.r.l., AD S.r.l. and Media & Sport S.a.s., for which the company has requested the ascertainment of the termination of the contracts and ruling requiring the agents to pay damages due to their breach of contract, the expert appraisals relating to the expert witness reports ordered by the judges have been concluded, what is more disputed by Grandi Stazioni.

In the proceedings relating to AD S.r.l., the Genoa Court, by means of sentence dated 22 September 2012, declared the termination due to serious breach by Grandi Stazioni of the agency agreement dated 2 February 2004 and, consequently, ordered the company to pay AD a total of EUR 4,418 thousand for commission, FIRR (agents' leaving indemnity), damage compensation, interest and costs. On 24 October 2012, the plaintiff served said sentence on Grandi Stazioni with the related order for payment of the sums awarded. Grandi Stazioni immediately appealed against the sentence by means of petition to suspend the provisional execution.

By means of presidential order dated 31 October 2012, the Genoa Court of Appeal ordered the suspension of the executive nature of the first instance sentence, fixing the hearing for dealing with the injunction for 6 December 2012. By means of court order dated 19 December 2012, said Court ordered the partial suspension of the executive efficacy of the sentence dated 31 October, reserving itself a valuational supplement, solely for the quantum relating to compensation of the damages suffered by AD (EUR 3,605 thousand).

In consideration of the matters just commented on, the risk provision as at 31 December 2013 relating to AD includes a total of EUR 3.4 million net of the amounts already paid in January 2013 for EUR 521 thousand (with partial use of the provision provided in December 2012 for EUR 495 thousand) relating to both interest and expenses and to the quantification of the risk of losing deemed - also with the support of external legal advisors availed of - probable relating to the component of the damage compensation for which partial suspension of the executive efficacy previously mentioned was obtained. The hearing for the closing forms of order has been fixed for 30 October 2014.

Within the sphere of the legal proceedings furthered by Grandi Stazioni against Publica S.r.l., aimed at obtaining the ascertainment of the termination of the agency agreement dated 2 February 2004 and the ordering of this company to pay damages deriving from breach of contract, the Milan Court, by means of sentence filed on 23 May 2013 rejected the claims made by Grandi Stazioni and, upholding the counterclaim proposed by Publica, declared the termination of the agreement due to the fault and negligence of the plaintiff and, consequently, ordered Grandi Stazioni to pay Publica a total sum of around EUR 9.6 million, inclusive of interest, revaluation and court costs and net of that paid during the trial, by way of commission differences, fees and negotiation premiums, indemnity pursuant to Article 1751 of the Italian Civil Code and compensation of damages. Grandi Stazioni in any event appealed against the sentence by means of petition to suspend the efficacy of the same. By means of ruling filed on 28 June 2013, the Milan Court of Appeal subordinated the executive nature of the counts of the sentence to the issue by Spaziale of a bank surety upon first request in our favour to guarantee the return of all the sums, increased by interest, in the event of upholding of the appeal. Once said guarantee had been produced, the sentence was executed with the payment - in December - in favour of Publica S.p.A. in liquidation, of an amount totalling around EUR 9 million which, net of the sums already paid in previous years for around RUR 0.5 million and with the full use of the provision set aside in December 2012 for around EUR 2.6 million, led to a greater liability for the year of around EUR 6.9 million.

During the hearing held on 26 February 2014, the suits were ruled on with granting of the deadlines for the filing of the closing briefs until 17 April and any responses until 7 May 2014.

In the proceedings furthered by Grandi Stazioni, care of the Milan Court, for the ascertainment of the termination of the agency agreement dated 10 February 2004 and the ordering of Spaziale to compensate the damages deriving from contractual breach (to an extent to be determined during the trial; with regard to just the damage deriving from breach of the obligation to execute the mandate as per the instructions received, Grandi Stazioni made a request for compensation amounting to EUR 383 thousand).

Spaziale made its statement of appearance requesting, as a counterclaim, the verdict of termination of the agreement due to the breach of Grandi Stazioni, and the ordering of the plaintiff to pay EUR 230 thousand plus VAT by way of commission accrued, EUR 3 million by way of compensation of the damage from breach and early termination and EUR 742 thousand by way of agency termination indemnity as per Article 1751 of the Italian Civil Code. By means of court order dated 26 January 2009, the Judge - upon the request of Spaziale - ordered as per Article 186 *ter* of the Italian Code of Civil Procedure, Grandi Stazioni to pay the sum of EUR 159 thousand plus VAT and interest by way of accrued commission.

By means of sentence dated 2 May 2013, the Milan Court rejected the claims made by Grandi Stazioni and, upholding the counterclaim proposed by Spaziale, declared the termination of the agreement due to serious breach by the plaintiff and, consequently, ordered Grandi Stazioni: to pay Spaziale a total sum of EUR 184 thousand by way of direct and indirect commission, inclusive of the amount already acknowledged at the time of granting of the injunction issued during the lawsuit, plus legal interest as from the individual due dates until the balance; to pay all the end of mandate indemnities amounting to around EUR 8 thousand, plus legal interest as from 1 July 2008 until the balance, by way of FIRR (agents' leaving indemnity) accrued as of the date of contractual termination of the relationship, plus the sum of EUR 165 thousand, plus legal interest, for the indemnity pursuant to Article 1751 of the Italian Civil Code; compensation of damages suffered due to the early and unlawful termination of the contract *inter partes*, amounting to EUR 801 thousand, by way of loss of earnings due to lack of commission, plus legal interest; the payment of EUR 476 thousand due to lack of accrual of the indemnity pursuant to Article 1751 of the Italian Civil Code, plus legal interest; the payment of the sum of EUR 28 thousand due to lack of accrual of FIRR, plus legal interest ; reimburse the defendant for the legal costs paid for a total of EUR 35 thousand for professional fees, plus accessory expenses as per the law, and making the plaintiff definitively responsible for the CTU (expert witness) costs.

The Company appealed against the sentence by means of petition to suspend the efficacy of the same. By means of ruling filed on 28 June 2013, the Milan Court of Appeal subordinated the executive nature of the counts of the sentence to the issue by Spaziale of a bank surety upon first request in Grandi Stazioni's favour to guarantee the return of all the sums, increased by interest, in the event of upholding of the appeal. Once said guarantee had been produced, the sentence was executed with the payment - in November - in favour of Spaziale S.p.A. in liquidation, of an amount totalling around EUR 1.7 million which, net of the sums already paid in previous years for around EUR 25 million and with the full use of the provision set aside in December 2012 for around EUR 200 million, led to a greater liability for the year of around EUR 1.45 million.

During the hearing held on 26 February 2014, the suits were ruled on with granting of the deadlines for the filing of the closing briefs until 17 April and any responses until 7 May 2014.

In the proceedings furthered by Grandi Stazioni, care of the Milan Court, for the ascertainment of the termination of the agency agreement dated 10 February 2004 and the request for the ordering of Media & Sport to compensate the damages deriving from contractual breach, to an extent to be determined during the trial; with regard to just the damage deriving from breach of the obligation to execute the mandate as per the instructions received, Grandi Stazioni made a request for compensation amounting to around EUR 170 thousand.

Media & Sport made its statement of appearance requesting, as a counterclaim, the verdict of termination of the agreement due to the breach of Grandi Stazioni, and the ordering of the plaintiff to pay EUR 92 thousand, plus VAT and EUR 275 thousand, plus VAT by way of commission accrued, EUR 2.6 million by way of compensation of the damage from breach and early termination as well as payment of the agency termination indemnity as per Article 1751 of the Italian Civil Code, to an extent not determined. With regard to the first monetary request made, Media & Sport requested that an injunction be issued during the proceedings for the payment of the sums, pursuant to Articles 186 *bis* and *ter* of the Italian Code of Civil Procedure. The Judge issued the injunction vis-à-vis Grandi Stazioni ordering it to pay EUR 92 thousand.

In light of the matters commented on with regard to losing the case, steps were taken to set aside EUR 636 thousand to the provision for risks and charges.

Retail Group S.p.A. arbitration

In the arbitration proceedings brought by Grandi Stazioni in July 2010 against Retail Group S.p.A., to ascertain the latter's breach of the obligations ensuing from the rental contract signed on 18 December 2002 and for termination of the rental contract itself pursuant to Article 1454 of the Italian Civil Code, the expert witness report has been ordered, not yet known to the company. The opinion of the legal advisor appointed by the defence in the proceedings revealed a possible risk of losing in relation to the counterclaims of Retail Group and probable in relation to the damages suffered by the plaintiff for the seepage which occurred in premises at Milano Centrale further to a precautionary procedure furthered by Grandi Stazioni even if the compensation requests appear challengeable and not supported by suitable evidence. The provision as at 31 December 2013, unchanged with respect to the previous year, includes the estimate of the legal costs. The expert opinion operations of the Appointed Expert arranged by the arbitration Board were filed.

CBS Outdoor Ruling

CBS Outdoor Holding, former concession holder for advertising in the railway stations managed by the Company, appealed against sentence No. 240045/2009 with which the Court of Rome had dismissed the claims of the afore-mentioned company which aimed to obtain a ruling against Grandi Stazioni and compensation of damages for a civil wrongdoing relating to the failure to authorise the stipulation of certain advertising commissions amounting to approximately EUR 7 million, ordering the plaintiff to pay two-thirds of the trial costs with the remaining one third to be paid jointly by the parties.

Grandi Stazioni made its statement of appearance in the appeal proceedings; the hearing for the specification of the forms of order was fixed for 28 November 2014. In October 2013, the sentence was settled by negotiation with waiver by the parties of the respective claims and compensation of costs.

RomArtifico Ruling

By means of the ruling dated 5 May 2011, the Court of Rome established the proceedings brought by Grandi Stazioni with regard to the termination of the associate investment agreement of 19 April 2002 with RomArtificio, the return of the premises occupied at Roma Termini station and payment of various amounts totalling EUR 126 thousand, in addition to compensation of damages deriving from breach and from the release of the property.

The Court dismissed both the claim for damages from Grandi Stazioni and the counterclaim by RomArtificio to receive compensation for damages for a total of EUR 16 million. The claim by Grandi Stazioni to receive payment of a number of contractual payments due from RomArtificio, amounting to around EUR 150 thousand, was also dismissed. RomArtificio appealed against the sentence, while Grandi Stazioni S.p.A. filed its appearance before the courts. At present, there appear to be no changes with respect to 2012.

Petition regarding the call for tenders for executive planning and execution of measures for the functional adaptation of the station buildings and additional infrastructure works for the railway stations of Venezia S. Lucia, Venezia Mestre and Verona P. Nuova

By means of petition served on 20 October 2010, CIR S.p.A. appealed to the Council of State against the sentence with which the Lazio Administrative Tribunal (TAR) had dismissed the company's appeal for the cancellation, following the evidence brought on examination of the second awardee pursuant to Article 140 of Italian Legislative Decree No. 163/2006, of the awarding of the contract for the executive design and execution of the functional measures for adaptation of the station buildings and additional infrastructure works for the railway stations of Venezia Santa Lucia, Venezia Mestre and Verona Porta Nuova, including the execution and maintenance of the works and installations of the station buildings, to ATI CMB-Fatigappalti S.p.A.

By means of sentence dated 14 November 2012, the Council of State - overturning the Lazio TAR sentence - declared the pre-contractual responsibility of Grandi Stazioni for having caused the legitimate awarding on conclusion of the tender contract within the sphere of the examination procedure launched after the termination of the contract previously entered into with the awardee. The judgement against Grandi Stazioni was limited to just the costs incurred by ATI CIR Costruzioni for supplying the documentation requested for the entering into of the contract and 10% of the legal costs to the extent of EUR 8 thousand for both levels of proceedings.

On 14 February 2014, CIR Costruzioni appealed before the Supreme Court of Cassation for reasons inherent to the jurisdiction.

Tax disputes relating to previous years

On 21 February 2008 the company was served a payment notice for approximately EUR 158 thousand for payment of ICP (municipal advertising tax) due mainly to the Rome City Council for the year 2004. Believing that the company does not owe the amount the City Council claims, on 18 April 2008 the company appealed to the Rome Provincial Tax Commission and the latter, under sentence No. 367/16/10 filed on 24 June 2010 partially upheld the appeal and ruled that only the amount of EUR 19 thousand was due. To date, despite numerous notifications, the City Council has not yet returned the excess amount.

Having settled part of the tax positions pertaining to the lease agreements in 2013, the company took steps to fully use the provision for risks and charges previously set aside for around EUR 220 thousand. During 2013, it adjusted the provision for other contracts being finalised for a total of EUR 129 thousand.

On 21 December 2011, the Lazio regional department of the Internal Revenue Agency served the company a notice of assessment relating to a full inspection for the tax year 2008 (with reference to which, in 2013 the company was served the related notice of assessment as commented on in the following section). The Agency revealed a higher taxable base for IRES (company earnings' tax) of EUR 4,215 thousand, for IRAP (regional business tax) of EUR 4,050 thousand and VAT irregularities for EUR

127 thousand. As the company deems certain irregularities as acceptable, it maintained the provision for risks and charges established at the end of 2012 for an overall amount of EUR 424 million.

On 18 December 2012, the Italian Internal Revenue Agency - Lazio Regional Division - Major Taxpayers Office served a notice of assessment on the Company in which a higher taxable income for IRAP (regional business tax) and IRES (company earnings' tax) purposes was assessed for 2007, amounting to EUR 4,971 thousand, and consequently requested the payment of additional tax for EUR 247 (for IRAP) and EUR 1,640 thousand (for IRES), plus fines and interest. It should be emphasised that the IRES notice of assessment was served on the parent company Ferrovie dello Stato Italiane S.p.A., as a result of the tax consolidation contract which links the two companies, which on 28 January 2013 presented a specific request for the uses of the tax losses of the consolidation scheme not used; by means of this request, the parent company has a further sixty days available to make a specific appeal. The higher value of production derives from the disputed deductibility of the amounts paid to the supplier Vidion by virtue of the associate investment contract concerning the management of the advertising exploitation activities in the station complexes. After a series of attempts for cordial settlement which were unsuccessful, the company filed - on 15 February 2013 - a petition before the Rome Provincial Tax Commission, in which it requested the cancellation of the IRAP notice of assessment. Since the company takes part in the tax consolidation scheme of the parent company Ferrovie dello Stato Italiane S.p.A., on 28 January 2013 it presented a request to use IRES losses, extending the deadline for presenting an appeal by a further 60 days, finalised on 16 April 2013 Given that, on the basis of the information currently available, the company deems the risk of losing to be merely possible, it decided not to make any provision.

Tax disputes arising during the year

On 2 July 2013, the Italian Internal Revenue Agency - Lazio Regional Division - Major Taxpayers Office served a notice of assessment on the Company in which a higher taxable income for IRAP (regional business tax) and IRES (company earnings' tax) purposes was assessed for 2008, amounting to EUR 4,223 thousand, and consequently requested the payment of additional tax for EUR 191 (for IRAP) and EUR 1,162 thousand (for IRES), plus fines and interest. It should be emphasised that the IRES notice of assessment was served on the parent company Ferrovie dello Stato Italiane S.p.A., as a result of the tax consolidation contract which links the two companies.

As of the same date, the Italian Internal Revenue Agency - Lazio Regional Division - Major Taxpayers Office served a notice of assessment on the Company in which a higher taxable income for VAT purposes was assessed (for the 2008 tax year), amounting to EUR 127 thousand, plus fines and interest.

With regard to both positions, in continuity with that which took place for 2007, the company proposed - on 11 October 2013 for the IRAP (regional business tax) notice of assessment and on 11 December 2013 for the IRES (company earnings' tax) notice of assessment - an appeal against the deed in question to the Rome Provincial Tax Tribunal, by means of which it requested the cancellation of all the afore-mentioned notices of assessment.

The hearing for discussing the appeal has not yet been fixed.

Given that, on the basis of the information currently available and in relation to the identity of the findings for the two years, the company deems the risk of losing to be merely possible, it has decided not to make any provision relating to the findings regarding the associate investment.

Main disputes with personnel

Proceedings involving former consultants

On 26 July 2011, a former consultant of the company served a petition to the labour tribunal pursuant to Article 414 of the Italian Code of Civil Procedure to have his relationship with the company declared an employment relationship starting from 28 December 1998 and ending on 31 December 2008, to have the right to be qualified as a manager based on the CCNL (trade union) agreements for executives working in the tertiary sector or, alternatively, as a middle manager, and to order the company to pay remuneration differences, TFR (leaving indemnity) differences, compensation for unjustified termination, plus related charges, for a total of EUR 927 thousand. The company appeared at the hearing and asked for dismissal of the appeal.

By means of sentence filed on 9 May 2013, the Rome Court, partly upholding the requests of the appellant, ascertained and declared the subordinate nature of the employment relationship between the parties for the entire period proposed ordering the company to pay sums for various purposes for a total of EUR 250 thousand in favour of the appellant, plus the regularisation of the social security position. Further to the sentence, the provision previously set aside for EUR 250 thousand was used in part and an additional provision was made for EUR 253 thousand.

The sentence was applied, but the Company has appealed against the same.

On 7 December 2011, a former consultant of the company served an petition to the labour tribunal pursuant to Article 414 of the Italian Code of Civil Procedure to have his relationship with the company declared an employment relation starting from 1 June 2003, to have the right to be qualified as a manager based on the CCNL (trade union) agreements for company managers working in the commerce sector, and to order the company to pay compensation for unjustified termination, TFR (leaving indemnity), professional damages from demotion, moral damages, for a total of EUR 552 thousand. The company appeared at the hearing and asked for dismissal of the appeal. The dispute was settled by means of judicial settlement report signed on 14 February 2013, within the sphere of which Grandi Stazioni, without any recognition of the grounds of the claims and the requests made by the plaintiff, paid - by way of general novation settlement - the total gross sum of EUR 125 thousand, plus legal costs for EUR 10 thousand. As a result of this settlement, the provision was used in full as at 31 December 2013 for a total of EUR 135 thousand.

By means of non-final sentence filed on 9 March 2010, the Court of Rome ordered Grandi Stazioni to pay the former consultant the fees for the performance of the professional services as project manager. The expert appointed by the Judge quantified the amount due by way of compensation as approximately EUR 98 thousand.

The Company appealed against the sentence and, in consideration of the risk of losing deemed probable, it was considered prudent to maintain a number of provisions and set further amounts aside to risk provisions for around EUR 39 thousand for legal costs and interest.

22 Current and non-current financial liabilities (including derivatives)

Non-current financial liabilities are broken down as follows:

	31 Dec. 2013			31 Dec. 2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Financial liabilities									
Financial hedging derivatives	6,659		6,659	9,619		9,619	(2,960)		(2,960)
Other financial liabilities									
	6,659		**6,659**	**9,619**		**9,619**	**(2,960)**		**(2,960)**

This item contains the fair value of derivatives which have already been fully described in note 5 which you are kindly requested to refer to for further details

The two interest rate swaps subscribed with RBS and Calyon were concluded during 2009 while the collar subscribed with BNP Paribas was concluded in 2010; all aimed to hedge the risk of changes in interest rates deriving from the loan taken out with EIB, the comments for which are contained in note 19.

All the contracts described previously are qualified as cash flow hedge contracts, and therefore the value recorded in the financial statements constitutes the fair value determined at the end of the year and recorded under a specific item in shareholders' equity. The "collar" in 2013 had a time value differential of EUR 27 thousand which was recognised in the income statement under financial income.

These derivative financial items were recognised at fair value on the respective financial statement dates and according to the hierarchy for determining the fair value the measurement took place at level two, that is the fair value was measured using the various input data from listed prices (in an active market for identical financial instruments) which can be a observed directly (or as prices) or indirectly (or rather as price derivatives).

23 Other current and non-current liabilities

Other non-current and current liabilities are shown below:

	31 Dec. 2013			31 Dec. 2012			Changes		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Social security and welfare payables	86	1,338	1,425	-	1,244	1,244	86	94	181
Other tax payables	-	3,160	3,160	-	1,820	1,820	-	1,340	1,340
VAT payables due to FS Italiane	-	2,026	2,026	-	1,908	1,908	-	118	118
Other payables due to Group companies	772	-	772	1,288	-	1,288	(516)	-	(516)
IRES (company earnings tax) for tax consolidation vis-à-vis FSI	-	47	47					47	47
Other payables	455	2,047	2,503	427	1,975	2,402	29	72	101
Accrued expenses and deferred income	2,112	839	2,951	2,386	612	2,999	(275)	227	(48)
Total	**3,425**	**9,458**	**12,883**	**4,101**	**7,559**	**11,661**	**(676)**	**1,899**	**1,223**

Other non-current liabilities mainly consist of: payables to parent companies concerning the remaining debt towards FS for the IRPEG credit transferred by the latter to Grandi Stazioni S.p.A. in 2004, as already mentioned in the item "other non-current assets" (note 12). The "other payables" item refers to deposits provided by tenants to guarantee fulfilment of the lease agreements. The accrued expenses and deferred income item refers to rental income paid in advance by customers, the portion referring to future periods being suspended.

Other current and non-current liabilities mainly refer to: payables to social security and welfare institutions (EUR 1,425 thousand); withholdings made at the end of the year and settled during January 2014 (EUR 3,160 thousand); VAT payable to FS Holding which became due as part of the Group consolidated VAT scheme which the company joined at the beginning of the period (EUR 2,026 thousand) and which it renewed for 2014 as well; the IRES (company earnings' tax) payable from the tax consolidation scheme, renewed for the three-year period 2013-2015, deriving from the difference between advances paid and taxes accrued pertaining to the year; other amounts essentially due to employees accrued but not paid (EUR 2,028 thousand); accrued expenses and deferred income mainly for the portions of revenue applying to 2014 regarding the repayment of expenses invoiced during the period which will be released to the income statement based on the duration of the lease agreement in question.

24 Current and non-current trade payables

Trade payables, all current, are analysed as follows:

	31 Dec. 2013 Current	31 Dec. 2012 Current	Changes
Payables to suppliers	71,222	75,344	(4,122)
Payables for construction contracts	242	378	(135)
Trade payables to Group companies	26,488	33,010	(6,522)
Total	**97,952**	**108,732**	**(10,780)**

The change in trade payables, with respect to 31 December 2012, is due to both a gradual realignment in the payment times to suppliers made during the year, and a reduction registered in the period in purchases for investment purposes. The amount of the liabilities for invoices to be received comes to EUR 45,471 thousand (of which EUR 8,887 thousand due to group companies), compared to EUR 58,875 thousand (of which EUR 10,528 thousand to group companies) as at 31 December 2012.

For further details regarding payables due to the parent company and affiliated companies please see note 45 "Related parties."

25 Tax payables

The item presents a zero balance.

Analysis of the income statement items

The income statement items for 2013, presented on a comparative basis with the previous year, are analysed as follows: It is hereby emphasised that for an improved comparability with the current year, a number of reclassifications were made in 2012 as more fully commented on in detail in the following notes.

TOTAL REVENUES AND INCOME

Total revenues and income for 2013 amount to EUR 199,519 thousand, up by EUR 5,665 thousand compared to last year.

Revenues and income for 2013 are broken down below:

26 Revenues from sales and services

This item amounted to EUR 195,601 thousand, and is broken down as follows:

	2013	2012	Changes
Revenues from sales and services			
- *Long-term lease revenues*	91,703	89,070	2,634
- *Engagement activities and special installations*	5,225	4,247	978
- *Revenues for Lease Costs*	75,328	68,986	6,343
- *Revenues from management of advertising space*	13,727	15,251	(1,524)
- *Revenues for customer services*	7,286	10,339	(3,053)
- *Change in work in progress*	2,332	2,296	36
Total	**195,601**	**190,189**	**5,413**

The revenues from leases (29% of which refer to companies belonging to the FS Group) increased with respect to the previous year due to the bringing onto stream of certain new retail areas with particular reference to the Milan, Turin and Naples stations, the new Roma Tiburtina station and the reduction in the vacancy at the Rome station. The balance as at 31 December 2013 includes, furthermore, the out-of-period expense recognised following the normal review of the estimates in the adjustments provided in the previous period totalling EUR 174 thousand.

"Revenues for lease costs" (around 84% of which refer to FS Group companies), increased in relation to the increases reported in related costs. The balance includes out-of-period expense for around EUR 237 thousand due to revised estimates.

There was an increase in the revenue item for "Engagement activities and special installations" which, after a drop in the economic trend, is disclosing a tendential rise (+EUR 978 thousand) with customers showing greater preference for innovative forms of digital promotion compared to the traditional advertising channels which, consequently disclose a tendential drop (-EUR 1,524 thousand). The balance includes out-of-period expense for around EUR 93 thousand due to revised estimates.

The reduction in "services for customers" of around EUR 3,053 thousand, is mainly due to the luggage deposit activities which, as from February 2013, were outsourced by means of entering into a specific agreement.

The net change in work in progress which amounts to EUR 2,332 thousand, disclosed an increase of EUR 36 thousand compared to 2012, due mainly to the greater volume of work essentially carried out for the affiliated companies RFI and Trenitalia. A breakdown of the changes reported during the year is presented below:

Description	2013	2012	Changes
Increase during the period	2,801	2,304	497
Recovery of previous years' losses	128	72	56
Writedown for future losses	(597)	(80)	(517)
Total	**2,332**	**2,296**	**36**

The change in work in progress in 2013, accounted for using the cost to cost method, refers to the assessment of the progress of the amounts due during the year for the technical activities necessary for the implementation of the renovation, restructuring, maintenance and enhancement work in the property complex of 14 stations under consolidated management. The aforementioned change is net of the recoveries and losses forecast for subsequent years referring to their completion, which are examined individually.

27 Other income

Other income amounts to EUR 3,919 thousand and has increased by EUR 252 thousand compared to 2012; the item is broken down as follows:

	2013	2012	Changes
Other income			
✓ *Income from recoveries vis-à-vis subsidiaries*	432	630	(198)
✓ *Sundry reimbursements*	3,102	2,873	229
✓ *Other income*	303	163	141
✓ *Ordinary capital gains*	81	1	80
Other income	**3,919**	**3,667**	**252**

The main changes in the item concern: sundry reimbursements mainly relating to revenues from the reimbursement of expenses that Grandi Stazioni incurred to increase the qualitative or functional standards of the stations, invoiced during the year and prepaid according to the number of years envisaged in the related lease agreements (EUR 1,074 thousand), for recovery of the promotional and advertising expenses generated within the stations on behalf of the tenants (EUR 2,062 thousand); the other income, with particular reference to the additional fines applied to suppliers for station services (EUR 299 thousand) and the capital gains generated on the disposal of certain assets (EUR 81 thousand).

28 Payroll and related costs

This item amounts to EUR 16,277 thousand, up by EUR 1,748 thousand compared to 2012 and breaks down as follows:

	2013	2012	Changes
Permanent staff	**15,052**	**14,828**	**225**
✓ *Wages and salaries*	11,123	10,602	521
✓ *Social security charges*	3,321	3,141	180
✓ *Other payroll and related costs for permanent staff*	(182)	268	(451)
✓ *Employee leaving indemnities*	789	817	(27)
Freelance staff and Co-workers	**405**	**520**	**(115)**
✓ *Wages and salaries*	151	250	(98)
✓ *Social security charges*	15	20	(5)
✓ *Seconded staff*	235	246	(11)
✓ *Other costs for Freelance staff and Co-workers*	3	5	(1)
Provisions / (Releases)	**383**	**(818)**	**1,201**
✓ *Provisions / (Releases)*	383	(818)	1,201
Total	**15,839**	**14,531**	**1,310**

This amount includes all employee costs, including promotions, transfers from one category to another, allocations required by the law and those for bonuses and incentives accrued on the basis of the merit-based personnel policies as well as provisions and releases for the related risks and charges.

The main changes recorded in 2013 in detail include: the increases in the costs of staff for salaries and charges, due to contractual increases, greater additional and overtime services; that under "other payroll and related costs for permanent staff", essentially due to the combined effect of a decrease in training costs and luncheon vouchers and an increase in out-of-period income deriving from normal up-dates of estimates and greater additional sums disbursed to leavers. The item provisions/(releases) reflects the net balance emerging at year end with particular reference to certain disputes outstanding which led to a net provision of EUR 383 thousand, compared with a release in the previous year of EUR 818 thousand.

It should be emphasised that in the previous period a reclassification was made in the item "other payroll and related costs for permanent staff" for around EUR 13 thousand for the disputes and similar relating to the personnel area, previously classified under "other operating costs".

The freelance staff and co-workers include the cost of seconded personnel and temporary work.

The average number of company employees expressed as FTE for 2013, amounted to 231.5 and are divided up as follows:

STAFF	Average FTE 2013	Average FTE 2012	Change
Executives	15.0	15.0	0.0
Middle management	42.9	41.5	1.4
White-collars	186.4	186.7	(0.3)
TOTAL PERMANENT STAFF	**244.3**	**243.2**	**1.1**
Atypical	5.0	6.4	(1.4)
Seconded *	(17.8)	(19.1)	1.3
TOTAL	**231.5**	**230.5**	**(1.0)**
* care of GSI	16.3	18.1	(1.8)
Care of FSI	1.5	1.0	0.5

29 Raw, ancillary and consumable materials and goods for resale

This item amounts to EUR 145 thousand, down by EUR 20 thousand compared to the previous year and breaks down as follows:

	2013	2012	Changes
Materials and consumables	140	159	(19)
Fuel and lubricants	5	6	(1)
Total	**145**	**165**	**(20)**

30 Costs for services

The costs for services amounted to EUR 88,129 thousand, up by EUR 1,563 thousand compared to the previous year. The table below shows the breakdown of this item:

	2013	2012	Changes
Contracted services and work	**71,729**	**64,452**	**7,277**
- Services - Security	9,501	7,961	1,539
- Cleaning	21,268	19,586	1,682
- Maintenance	20,284	17,076	3,208
Station utilities	20,677	19,829	848
Miscellaneous services:	**16,399**	**22,113**	**(5,713)**
- Consulting	159	168	(10)
- Engineering services	3,628	1,870	1,758
- Professional services	1,426	1,745	(319)
- Telephone and electricity utilities	480	576	(96)
- Travel and business trips	315	457	(142)
- Insurance premiums	1,049	1,032	18
- IT services	893	942	(49)
- Commission	2,513	2,226	287
- Fees for corporate bodies	297	289	8
- Advertising and promotional expenses	647	1,150	(503)
- Other third party services	2,131	4,587	(2,456)
- Costs for customer services	2,817	5,080	(2,263)
- Goods transportation and postal charges	37	40	(3)
- Provisions / (Releases)	7	1,950	(1,943)
Total	**88,129**	**86,565**	**1,563**

Costs for contracted services and work with respect to the same period last year, present a generalised increase in all the related cost items, due to additional services provided, adjustments and tariff adaptations, including retroactive, and the inclusion of the running costs for the Tiburtina station.

The main changes in the sundry services concern: an increase in engineering services and commission for media agents; while there were decreases in other third party services due to the reduction in the fees paid to suppliers of media services for activities supporting the functioning of the dedicated systems, in advertising and promotional costs, in costs for customers services due to outsourcing of the luggage deposit service and in provisions for risks and charges.

It should be emphasised that in order to provide an improved statement of the costs, the 2012 breakdown items have been subject to a number of reclassifications.

31 Costs for the use of third party assets

This item amounts to EUR 38,663 thousand, up by EUR 803 thousand compared to 2012 and breaks down as follows:

	2013	2012	Changes
Operating lease fees	11	5	6
Reconveyance fee vs. FS Italiane S.p.A.	26,552	26,041	511
Reconveyance fee vs. RFI S.p.A.	11,917	11,635	282
Reconveyance fee vs. SISTEMI URBANI S.r.l.	183	179	4
Total	**38,663**	**37,860**	**803**

The net increase in reconveyance fees is directly associated with the rise in lease revenues reported during the year. You are hereby reminded that, further to the spin-off carried out in 2012 in favour of Ferrovie dello Stato Italiane, of part of the properties located at the Milano Centrale, Napoli Centrale, Roma Termini and Torino Porta Nuova stations, previously owned by Rete Ferroviaria Italiana, a significant portion of the fee was returned to the group parent Ferrovie dello Stato Italiane.

There are currently no minimum payments from irrevocable operating leases.

32 Other operating costs

The item Other operating costs amounts to EUR 15,715 thousand, up by EUR 5,749 thousand compared to 2012 and breaks down as follows:

	2013	2012	Changes
Sundry taxes and duties	5,935	5,461	474
Fines, sanctions and similar	197	304	(108)
Subscriptions and membership fees	119	78	41
Capital losses on disposal of fixed assets	22	1	22
Disputes and litigation	7,712	513	7,199
Other operating costs	92	185	(93)
Provisions/(Releases)	1,638	3,424	(1,786)
Total	**15,715**	**9,966**	**5,749**

The main changes concerned: an increase in sundry taxes and levies with particular reference to the additional costs recorded for Municipal Property Tax, the registration tax on lease agreements and the annual tax on advertising systems; the closure of disputes and litigation with former agents for EUR 7,712 thousand for the sums which have not been covered by provisions previously set aside, additional net provisions on other disputes and litigation outstanding for EUR 1,638 thousand by way of compensation of damages mainly on media and lease activities.

It should be emphasised that in the previous period a reclassification was made in the specific financial statement item for around EUR 13 thousand for the disputes and similar relating to the personnel area, as mentioned previously.

33 Costs for in-house work capitalised

The costs for in-house work capitalised amount to EUR 831 thousand and increased by around EUR 57 thousand compared to the previous year. The capitalised cost refers to the cost of direct personnel operating on investments underway.

34 Amortisation/depreciation

This item amounts to EUR 16,662thousand, up by EUR 5,659 thousand compared to 2012 and breaks down as follows:

	2013	2012	Changes
Amortisation/depreciation of intangible and tangible assets			
✓ *Amortisation of intangible assets*	531	323	208
✓ *Depreciation of tangible assets*	16,131	10,680	5,452
Total	**16,662**	**11,003**	**5,659**

The increase in the amortisation of intangible assets was due to the investments reported during the year in the related fixed asset item. The significant increase recorded with regard to depreciation of tangible assets is due to the numerous investments which came into service during the year, with particular reference to the requalification work on the Venezia Santa Lucia and Firenze Maria Novella stations, other work achieved at the Roma Termini and Torino Porta Nuova stations, as well as the recovery of prior depreciation due to the classification of the Genoa property from assets held for sale to investment property.

35 Writedowns and impairment losses (writebacks)

The item is broken down below, with regards to group companies and third parties alike:

	2013	2012	Changes
Writedown of property, plant and machinery	380		380
Adjustments and value writebacks on receivables	6,538	1,261	5,277
Group	*300*	*(170)*	*470*
Third parties	*6,238*	*1,431*	*4,807*
Total	**6,918**	**1,261**	**5,657**

The writedown of property, plant and machinery is due to the classification in the income statement of preliminary and final planning costs for EUR 380 thousand, which did not see their natural continuation in investment projects in the executive stage.

The writedown of receivables classified under current assets is based on a careful analysis of the same and the degree to which they are recoverable. It should be emphasised that in relation to third party customers, steps were taken to writedown EUR 1,763 thousand in default interest for late payment, accrued in accordance with Italian Legislative Decree No. 192/2012 which assimilates the directive 2011/7/EU.d., registered under financial income.

36 Provisions for risks and charges

The item presents a zero balance as in the previous year since, once again this year there are no provisions to allocate to this specific income statement item.

37 Financial income

As at 31 December 2013, finance income amounted to EUR 1,934 thousand, up EUR 1,545 thousand with respect to last year mainly as a result of the assessment of the default interest accrued vis-à-vis customers for late payment as per Italian Legislative Decree No. 192/2012, which assimilates the directive 2011/7/EU.d. Since this is interest accrued but not collected by the company, steps were taken to set aside an equal amount to the allowance for doubtful receivables for default interest as mentioned in the previous notes 11 "Current and non-current trade receivables" and 35 "Writedowns and impairment losses (writebacks)".

Financial income is analysed as follows:

	2013	2012	Changes
Interest income on bank deposits	49	214	(165)
Interest income from parent companies	5	115	(110)
Income from subsidiary companies	45	47	(3)
Sundry financial income	1,836	13	1,822
Total	**1,934**	**389**	**1,545**

"Interest income on bank deposits" refers to the interest income accrued during the year on bank deposits. Compared to the previous year, there has been a decrease in the average liquidity and in the interest rates.

The item "interest income from parent companies" refers to the interest income from the intercompany current account held with Ferrovie dello Stato Italiane S.p.A., the terms and conditions of which are shown in detail under note 14 "current and non-current financial assets (including derivatives)."

The financial income from subsidiaries refers mainly to the interest from Grandi Stazioni Ceska on the bridge loan (repaid during the year) and on the guarantees issued in favour of the company for the medium/long-term loan and the hedging derivatives (for further information please see paragraph 40 "guarantees and commitments").

Sundry financial income mainly concerns the default interest accrued vis-à-vis customers for late payment of which EUR 1,763 thousand assessed as at 31 December 2013 and written down by a specific provision adjusting trade receivables.

38 Financial expense

As at 31 December 2013, finance expense amounted to EUR 4,176 thousand, down by EUR 846 thousand compared to the previous year. The financial charges are broken down as follows:

	2013	2012	Changes
Default interest	715	79	636
Interest expense on long-term loans	1,788	3,774	(1,986)
Financial expense on derivatives	1,982	1,363	619
Financial expense charged by banks	96	-	96
Financial expense relating to TFR discounting	49	72	(23)
Sundry financial expense	1	1	
Capitalised financial charges	(598)	(886)	288
Provisions / (Releases)	143	619	(475)
Total	**4,176**	**5,022**	**(846)**

The interest payable on long-term loans refers to the interest due on the mortgages taken out by the parent company with Intesa San Paolo (former Banca Infrastrutture Innovazione e Sviluppo – Infrastructures Innovation and Development Bank) and on the long-term loans from Unicredit and the EIB (European Investment Bank). For further details please see note 18 "Short and long-term loans." The significant decrease compared to 2012 is due to the considerable drop in the 6-month Euribor rate (basis for the calculation of the cost of financial funding), as well as the decrease in borrowing recorded during the period, due to repayments that took place on mortgages and on the EIB loan. Please see note 19 regarding financial expenses on derivatives. It is hereby noted that the financial expense is stated net of capitalisation of property, plant and equipment, for EUR 598 thousand in 2013 and EUR 886 thousand in 2012.

The item provisions/(releases) related to the financial component of the provisions relating to the dispute with a former agent already commented on in note 21.

39 Income taxes

As at 31 December 2013, income taxes amounted to EUR 7,745 thousand, down by EUR 1,630 thousand compared to the previous year, essentially due to a reduction in the pre-tax income.

The item is broken down below:

Current taxes	**2013**	**2012**	**Change**
IRAP (regional business tax)	1,896	2,356	(460)
IRES (company earnings' tax)	7,968	11,000	(3,032)
Adjustments for income taxes relating to previous years	18	(803)	820
Deferred and prepaid taxes	(2,137)	(3,178)	1,042
Total income taxes	**7,745**	**9,375**	**(1,630)**

The statement of reconciliation between the effective tax liability and the theoretical tax liability for IRES is presented below:

Reconciliation between the theoretical tax liability and the current tax liability	**IRES (COMPANY EARNINGS' TAX)**			
	2013		**2012**	
	Taxable amount	Taxation	Taxable amount	Taxation
Pre-tax profit	16,038		28,586	
Theoretical tax liability		**4,411**		**7,861**
Theoretical tax rate		27.50%		27.50%
Timing differences deductible in subsequent years	18,795	5,169	17,492	4,810
Previous years' timing differences	(9,483)	(2,608)	(6,367)	(1,751)
Taxable permanent differences	(3,205)	(881)	(1,510)	(415)
Deductible permanent differences	6,828	1,878	1,798	494
IRES (COMPANY EARNINGS' TAX)	**28,973**	**7,968**	**39,999**	**11,000**
Effective tax rate		49.68%		38.48%
IRAP (REGIONAL BUSINESS TAX)		**1,896**		**2,356**
Adjustments for previous years' taxes		**18**		(803)
Total deferred taxation		**(2,137)**		**(3,178)**
Total taxation		**7,745**		**9,375**

Other information

40 Contractual commitments and guarantees

Guarantees granted to third parties are shown below:

Description	31 Dec. 2013	31 Dec. 2012	Change
RISKS			
Sureties			
- in favour of other affiliated companies	0	116	(116)
- in favour of third parties	2,600	2,500	100
Other unsecured guarantees			
- in favour of subsidiary companies	27,685	31,533	(3,848)
TOTAL	**30,285**	**34,149**	**(3,864)**
COMMITMENTS			
Contracts with deferred execution	21,000	21,000	
TOTAL	**21,000**	**21,000**	
TOTAL MEMORANDUM ACCOUNTS	**51,285**	**55,149**	**(3,864)**

The balance concerns:

- EUR 100 thousand relating to a surety issued by Intesa San Paolo in favour of Rete Ferroviaria Italiana S.p.A. for the exclusive entrusting of the advertising on behalf of third parties within the sphere of the RFI properties, maturing on 5 March 2014;
- EUR 500 thousand for a surety issued by Intesa-San Paolo in favour of the Venice Municipal Authority (Direzione Centrale Sportello Unico) which originally was to expire on 10 September 2008 and has been tacitly renewed, guaranteeing the restructuring work under way on the former divisional building in Venice (EUR 500 thousand) with automatic renewal until receipt of the release communication from the municipal authority;
- EUR 2 million for a surety issued by Intesa-San Paolo on behalf of Rete Ferroviaria Italiana S.p.A., guaranteeing the exact and complete fulfilment of the contractual obligations further to the awarding the concession for the economic exploitation of the Roma Tiburtina property complex for the entire duration of the contract;
- a guarantee amounting to EUR 25.19 million, which corresponds to CZK 691 million at the exchange rate of 27.43 as at 31 December 2013, issued in favour of Unicredit Bank of Austria on behalf of Grandi Stazioni Cesca Republika to guarantee the facility agreement dated 3 August 2011; the maturity of the surety is envisaged for August 2016, on condition that a minimum DSCR index of 1.15 is achieved in the 3 years prior to expiry;
- a guarantee of EUR 0.5 million issued in favour of Unicredit S.p.A. and EUR 2 million issued in favour of Societè Generale, in the interests of Grandi Stazioni Cesca Republika to guarantee derivative transactions, linked to the “Facility Agreement dated 3 August 2011”, maturing in June 2020;
- EUR 21 million plus VAT and interest, for a commitment to enter into a lease agreement with Metropolitana di Napoli SpA, concerning the property portion representing the Shopping Arcade, which is being constructed. The amount committed refers to the payment of an advance fee, which is envisaged to be paid in the first few months of 2015, in correspondence with the delivery date. A Surety is currently being finalised in favour of Metropolitana di Napoli S.p.A. for

Grandi Stazioni S.p.A.'s commitment to enter into the lease agreement.

41 Potential assets and liabilities

Please refer to the details indicated in note 21 concerning "Provisions for risks and charges", with reference to potential liabilities.

Furthermore, there were no potential assets for which an increase in assets is deemed probable.

42 Remuneration of the directors and officers

The overall remuneration payable to Directors, members of the Board of Statutory Auditors and the Supervisory Body for their services, is illustrated below. The remuneration of the Directors also includes the cost of the CEO in his capacity as company executive.

RECIPIENTS	2013	2012	Change
Directors	807	798	9
Statutory auditors	60	57	3
Supervisory Body	25	20	5
TOTAL	**892**	**876**	**12**

43 Independent auditors' fees

It is hereby noted that pursuant to Article 37.16 of Italian Legislative Decree No. 39/2010 and section 16 *bis* of Article 2427 of the Italian Civil Code, the total amount of fees due to the independent auditing firm amounted to EUR 64.5 thousand (plus costs) for the 2013 financial statement audit activities and EUR 8 thousand for additional services.

44 Disclosure on management and co-ordination activities

The statements summarising the key data from the latest set of financial statements of the consolidating company Ferrovie dello Stato Italiane S.p.A., which carries out the management and coordination activities, pursuant to Article 2497 *bis* of the Italian Civil Code, are presented below. The essential data referring to the parent company Ferrovie dello Stato Italiane S.p.A. was taken from the related financial statements for the period ended 31 December 2012. For an adequate and complete comprehension of the equity and financial position of Ferrovie dello Stato Italiane S.p.A. as at 31 December 2013 as well as regarding the economic result of the company for the period ended on that date, please refer to the financial statements which are available in the forms and as per the formalities envisaged by the law, together with the independent auditors' report.

(In EUR thousands)

BALANCE SHEET	**31 Dec. 2013**	**31 Dec. 2012**
ASSETS:		
Total non-current assets	42,713,900	41,342,070
Total current assets	2,647,880	3,664,642
TOTAL ASSETS	**45,361,780**	**45,006,712**
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Shareholders' equity:		
Share capital		*38,790,425*
Reserves		*298,488*
Retained earnings (accumulated losses)		*(2,987,495)*
Profit (loss) for the period		*73,291*
TOTAL SHAREHOLDERS' EQUITY		**36,174,709**
Liabilities		
Total non-current liabilities		5,663,086
Total current liabilities		3,168,917
TOTAL LIABILITIES		**8,832,003**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**45,006,712**

INCOME STATEMENT	**2013**	**2012**
Revenues and income		156,569
Operating costs		146,360
Amortisation		21,474
Writedowns and impairment losses (writebacks)		1,323
Provisions for risks and charges		0
Financial income and (expense)		72,770
Income taxes		(12,649)
Result of assets held for sale net of the tax effects		**460**
NET RESULT FOR PERIOD		**73,291**

45 Related parties

Transactions with executives with strategic responsibilities

The remuneration of individuals with strategic responsibilities is shown in the table below. The schedule has been prepared with regard to the period in which the office was held and on an accruals basis.

	2013	2012	Changes
Short-term benefits	2,656	2,594	62
Benefits due to employees for termination of the employment relationship	105	103	2
Total	**2,761**	**2,697**	**64**

During the periods under review, a total of 10 executives could be classified as Executives with strategic responsibilities (including the CEO and a manager seconded by Ferrovie dello Stato Italiane S.p.A.).

It is hereby noted that all strategic executives have declared that during the period they did not carry out any transactions, either directly or through close family members, with companies belonging to the Ferrovie dello Stato Italiane group or companies that are directly or indirectly controlled by the latter.

Other transactions with related parties

Relations between Grandi Stazioni and other related parties are carried out according to the criteria of essential correctness with the aim of ensuring reciprocal economic benefit in line with standard market conditions and are identified – if necessary – with support from external experts.

The inter-company transactions conducted within the Ferrovie dello Stato Italiane Group, of which Grandi Stazioni is a member, pursue the common goal of creating value These processes and transactions take place according to the civil law and tax regulations specific to the sector, in compliance with the guidelines of the supervising Ministries and taking into account the characteristics and peculiarities of the activities carried out by many companies in the FS Group.

Below is a summary table representing the main receivable and payable transactions during the year with subsidiaries, parent companies and other affiliated companies. Dealings with the company exercising management and coordination activities and with the companies subject to these management and coordination activities are also highlighted.

Company name	Receivable transactions	Payables transactions
Subsidiary companies		
GS Ingegneria	Commercial and other: service tenancy costs reimbursements	Commercial and other: payments on engineering work reimbursements seconded staff services
GS Ceska	Commercial and other: assignment fee loans guarantees	Commercial and other: seconded staff professional services
Parent Companies		
Ferrovie dello Stato Italiane (a)	Commercial and other: tenancy costs occupancy of complexes occupancy indemnity reimbursements Media IRES tax consolidation Financial: intercompany current account interest	Commercial and other: service remuneration of the directors and officers payables for transfer of tax credit seconded staff VAT consolidation reconveyance fee employee leaving indemnities (TFR)
Affiliated companies		
Trenitalia (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes leases reimbursements Media	Commercial and other: advance payments on engineering work and travel account
Rete Ferroviaria Italiana (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes engineering fees reimbursements leases	Commercial and other: reconveyance fee advance payments on engineering work utilities
Ferservizi (b)	Commercial and other: tenancy costs occupancy indemnity occupancy of complexes reimbursements	Commercial and other: employee leaving indemnities (TFR) Fee
Trenord (b)	Commercial and other: tenancy costs leases reimbursements	
Ataf Gestioni (b)	Commercial and other: tenancy costs leases reimbursements	
FS Sistemi Urbani (b)	Commercial and other: tenancy costs	Commercial and other: reconveyance fee
Fercredit (b)		Commercial and other: receivable factoring
Thello (b)	Commercial and other: tenancy costs leases Media	
Italferr (b)	Commercial and other: tenancy costs leases	Commercial and other: tax liabilities
Terminali Italia (b)		Commercial and other: employee leaving indemnities (TFR)
Metropark (b)	Commercial and other: reimbursements leases facility	Commercial and other: services equipment hire

Company name	Receivable transactions	Payables transactions
Other related parties		
Anas	Commercial and other: leases tenancy costs	
Poste Italiane	Commercial and other: tenancy costs leases reimbursements	Commercial and other: services
Eni		Commercial and other: services
Enel		Commercial and other: services
Mario Negri Fund		Commercial and other: welfare fund
Cassa Depositi e Prestiti		Financial and other: commission

(a) Company which exercises management and co-ordination activities (direct parent)
(b) Company which is subject to management and co-ordination activities of (a)

Trade and other dealings

The balance sheet and income statement balances deriving from the dealings indicated above are presented below (in thousands of EUR).

Company name	31 Dec. 2013				2013	
	Receivables	Payables	Purchases for investments	Guarantees and Commitments	Costs	Revenues
Subsidiary companies						
GS Ceska	231				(169)	221
GS Ingegneria	571	1,594	11,199		93	341
Parent Companies						
Ferrovie dello Stato Italiane	1,074	21,286			27,170	1,748
Other affiliated companies						
Trenitalia	7,559	112			153	30,387
Rete Ferroviaria Italiana	18,393	5,189	95,494		12,093	55,761
Ferservizi	1,809	224			5	3,042
Fs Sistemi Urbani	7	7			183	7
Italferr	249		5			393
Metropark	45	336	41		380	
Trenord	92					107
Fercredit		477				
Thello						91
Ataf Gestioni	56					148
Terminali Italia		1				
Total other affiliated companies	**28,210**	**6,346**	**95,540**		**12,814**	**89,936**
Other related parties						
Anas S.p.A.	249					4,763
Poste Italiane S.p.A.	52				25	377
Eni S.p.A.		2,567			4,072	
Mario Negri Fund		61			128	
Enel S.p.A.		66			346	
Total other related parties	**301**	**2,694**			**4,571**	**5,140**
TOTAL	**30,387**	**31,920**	**106,739**		**44,479**	**97,386**

Financial dealings

The dealings with the companies belonging to the Group were mainly of a commercial nature and, therefore, the costs and revenues and the related payables and receivables refer to: the leasing of stations areas, reimbursement of accessory costs, recovery of costs for seconded personnel, supply of general group services and business travel services

Lastly, it should be highlighted that there is an inter-company bank account shared by Ferrovie dello Stato Italiane S.p.A. and Grandi Stazioni S.p.A., through which the receipts and payments concerning economic relations with FSI, Ferservizi, Italferr, RFI and Trenitalia transit. As at 31 December 2013, the balance of the intercompany current account came to EUR 13,785,083.

The balance sheet and income statement balances deriving from the dealings indicated above are presented below (in thousands of EUR).

Company name	31 Dec. 2013			2013	
	Receivables	Payables	Guarantees and Commitments	Expense	Income
Subsidiary companies					
GS Ceska	22		27,685		45
Parent Companies					
Ferrovie dello Stato Italiane	13,785				5
Other affiliated companies					
Metropark					
Other related parties					
Cassa Depositi e Prestiti				260	
TOTAL	**13,807**		**27,685**	**260**	**50**

By means of resolution dated 28 February 2013, the company's Board of Directors opted, together with the Parent Company FSI, for application of the National Tax Consolidation scheme for the three year period 2013-2015, as per Article 117 of the Income Tax Consolidation Act (ITCA).

The tax consolidation agreement envisages that for the taxable income generated and transferred to Ferrovie dello Stato Italiane S.p.A., the subsidiaries undertake to transfer to the latter "tax adjustments" net of the credits transferred within the time period established by law for payment of the balance and the advances relating to the income transferred. Any offsetting carried out by Ferrovie dello Stato Italian SpA as part of the taxation of the FSI Group shall not be applicable for identifying the extent and the deadlines of the payment.

In the event of the transfer of a tax loss, Ferrovie dello Stato Italiane S.p.A. must pay the subsidiaries compensation equal to the loss that they themselves would have used independently in the absence of the taxation of the FSI Group.

IRAP (regional business tax) is settled independently by each company participating in the aforementioned tax consolidation scheme.

46 Events after the end of the accounting reference date

On 17 January 2014, the company presented the Ministry for Infrastructures and Transport - Technical Mission Department, with disbursement request number 17, for the CIPE grant relating to the 1st Programme of Strategic Works - Major Stations Programme (so-called Legge Obiettivo), for a total of EUR 5,427 thousand.

By means of sentence dated 22 January 2014 - made public on 19 February 2014 - the Milan Court declared the termination of the agency agreement entered into with Media&Sport due to serious breach by Grandi Stazioni, ordering the latter to pay the overall amount of around EUR 521 thousand, by way of balance of the commission, indemnity as per Article 1751 of the Italian Civil Code, damage compensation, plus interest, revaluation and expenses (already classified under provision for risks and charges as at 31 December 2013).

On 27 January 2014, EUR 10 million was repaid to Intesa San Paolo, by way of partial repayment of the short-term loan (hot money), entered into on 27 November 2013 for an overall total of EUR 15 million. An extension until 27 March 2014 was requested for the remaining EUR 5 million.

By means of petition dated 14 February 2014, CIR Costruzioni S.p.A. in liquidation, group parent of the JV CIR Costruzioni-IRCOS S.p.A.-Monaco S.p.A. challenged - care of the Supreme Court of Cassation, for reasons inherent to the jurisdiction - the sentence of the Council of State, Section VI No. 5365 dated 11 November 2013, which had rejected the appeal made in the proceedings for the challenging of the exclusion of the JV from the tender procedure for the awarding of the contract for the execution of supplementary infrastructural works on the buildings of the Roma Termini station ("Major Stations" Programme - Legge Obiettivo).

On 17 January 2014, Intesa San Paolo was requested for a two month extension of the short-term loan (hot money), entered into on 17 November 2013 for an overall total of EUR 5 million.

On 19 January 2014, Banco Popolare (former Credito Bergamasco) was requested for a two month extension of the short-term loan (hot money), entered into on 19 November 2013 for an overall total of EUR 5 million.

By means of writ of summons served on 26 February 2014, ICS Grandi Lavori S.p.A. summonsed Grandi Stazioni, the former CEO of the Company, Satrel S.p.A., the legal representative and an executive of the latter, before the Rome Court, Specialised Sections, requesting that the nullity of the business segment spin off transfer agreement between ICS and Satrel S.p.A. dated 12 December 2012, be ascertained and declared, an agreement relating to the execution of the tenders entered into with Grandi Stazioni on 23 February 2007, concerning measures for the South Lot and the Central Lot, as well as of all the associated contracts, due to violation of Articles 1418.3 of the Italian Civil Code and 118 of Italian Legislative Decree No. 163/2006 or, alternatively, to ascertain and declare the cancellation of said business segment transfer agreement as well as all the associated contracts, as per Articles 1427, 1438 and 1439 of the Italian Civil Code; accordingly, to ascertain and declare ICS's ownership of its portion of the tender agreement relating to the Central Lot and the South Lot and, consequently, to also rule on the termination requests, as per Articles 1453 and 1455 of the Italian Civil Code, for said agreement due to breach by Grandi Stazioni or, pursuant to Article 1467 of the Italian Civil Code, due to excessive onerousness and, accordingly, to order Grandi Stazioni to pay ICS amounts for various purposes; in any event, to order the legal representative and an executive of Satrel, as well as the former CEO of Grandi Stazioni to jointly and severally pay in favour of ICS amounts for various purposes, plus legal interest and monetary revaluation as per the law and with the awarding of legal costs, fees and similar. The company is evaluating the most appropriate action to take together with its legal advisors.

On 27 February 2014, the subsidiary Grandi Stazioni Ingegneria S.r.l. approved the balance sheet as at 31 December 2013 and the merger via incorporation project within Grandi Stazioni S.p.A..

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

GRANDI STAZIONI SPA

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2013

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the Shareholders of
Grandi Stazioni SpA

1 We have audited the consolidated financial statements of Grandi Stazioni SpA and its subsidiaries ("Grandi Stazioni Group") as of 31 December 2013, which comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flows and related notes. The directors of Grandi Stazioni SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (the Italian Commission for Listed Companies and the Stock Exchange). Those standards require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 15 April 2013.

3 In our opinion, the consolidated financial statements of the Grandi Stazioni Group as of 31 December 2013 comply with the International Financial Reporting Standards as adopted by the European Union; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of the Grandi Stazioni Group for the year then ended.

4 The directors of Grandi Stazioni SpA are responsible for the preparation of a report on operations in compliance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by

law. For this purpose, we have performed the procedures required under Italian Auditing Standard No. 001 issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and recommended by Consob. In our opinion, the report on operations is consistent with the consolidated financial statements of the Grandi Stazioni SpA as of 31 December 2013.

Rome, 15 April 2014

PricewaterhouseCoopers SpA

Signed by

Leda Ciavarella
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.

pwc

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

GRANDI STAZIONI SPA

SEPARATE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2013

pwc

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the Shareholders of
Grandi Stazioni SpA

1 We have audited the separate financial statements of Grandi Stazioni SpA as of 31 December 2013, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Grandi Stazioni SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express an opinion on these separate financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (the Italian Commission for Listed Companies and the Stock Exchange). Those standards require that we plan and perform the audit to obtain the necessary assurance about whether the separate financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the separate financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 15 April 2013.

3 In our opinion, the separate financial statements of Grandi Stazioni SpA as of 31 December 2013 comply with the International Financial Reporting Standards as adopted by the European Union; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Grandi Stazioni SpA for the year then ended.

4 The directors of Grandi Stazioni SpA are responsible for the preparation of a report on operations in compliance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing

Standard No. 001 issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and recommended by Consob. In our opinion, the report on operations is consistent with the separate financial statements of the Grandi Stazioni SpA as of 31 December 2013.

Rome, 15 April 2014

PricewaterhouseCoopers SpA

Signed by

Leda Ciavarella
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.

STATEMENT ISSUED BY THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE RESPONSIBLE FOR DRAFTING CORPORATE ACCOUNTING DOCUMENTS RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GRANDI STAZIONI GROUP AS AT 31 DECEMBER 2013

1. The undersigned Gaetano Casertano and Giovanni Raddi, respectively "Chief Executive Officer" and "Executive responsible for drafting corporate accounting records" of the Grandi Stazioni Group, having regard to:

    - the provisions under Article 27 of Grandi Stazioni SpA's Articles of Association;
    - the matters specified in point 2 below;

    hereby certify

    - the adequacy in relation to the Group's characteristics and
    - the effective application

    of the administrative and accounting procedures for the drafting of the consolidated financial statements for 2013.

2. In this connection, the following is pointed out:

    a. The appraisal of the adequacy and effective application of the administrative and accounting procedures for the drafting of the consolidated financial statements of the Grandi Stazioni Group is based on the internal model defined in line with the "Internal Controls – Integrated Framework" issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which acts as a reference framework for the internal audit system generally accepted at the international level;

    b. The aforesaid appraisal revealed the following key aspects:

    - The Group relies on organisational and administrative and accounting procedures which as a whole are deemed to be adequate with regard to its characteristics; however, the actual application of the procedures still needs improvement, in particular with regard to the following through of certain controls, the timescales and the transmission methods for the data required to prepare the financial statements.

- Finally, the formalisation of the activities and controls aimed at governing and monitoring the main IT processes still needs improving. This resulted in the launch of appropriate action plans which, together with the Segregation of Duties (SoD) and IT General Computer Controls (ITGC), will make it possible to redress the shortfalls detected.

As a whole, it is believed that the anomalies highlighted - in relation to which corrective action plans have been or will be launched - have a low impact on the accuracy and quality of the 2013 financial disclosures.

3. It is hereby further certified that

3.1. the consolidated financial statements:

a. were prepared in compliance with the international accounting standards recognised by the European Union in pursuance of (EC) Regulation No. 1606/2002 of the European Parliament and Council dated 19 July 2002;

b. comply with the results of the underlying accounting ledgers and entries;

c. are suitable for providing a true and fair view of the state of affairs the profit or loss of Grandi Stazioni and all the companies included in the scope of consolidation.

3.2. The Directors' Report includes a reliable business review and analysis of the result of ordinary operations as well as the performance of Grandi Stazioni and all the companies included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Rome, 15 April 2014

Chief Executive Officer	Executive Responsible for Drafting Corporate Accounting Documents
*………………………	…………………………….

* It should be noted that the Statement was temporarily signed only by the Executive responsible for drafting corporate accounting documents records, inasmuch as the Chief Executive Officer was unable to sign due to a serious impediment.

STATEMENT ISSUED BY THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE RESPONSIBLE FOR DRAFTING CORPORATE ACCOUNTING DOCUMENTS RELATING TO THE FINANCIAL STATEMENTS OF GRANDI STAZIONI AS AT 31 DECEMBER 2013

1. The undersigned Gaetano Casertano and Giovanni Raddi, respectively "Chief Executive Officer" and "Executive responsible for drafting corporate accounting records" of Grandi Stazioni S.p.A., having regard to:

    - the provisions under Article 27 of Grandi Stazioni SpA’s Articles of Association;
    - the matters specified in point 2 below;

    hereby certify

    - the adequacy in relation to the Group’s characteristics and
    - the effective application

    of the administrative and accounting procedures for the drafting of the financial statements for 2013.

2. In this connection, the following is pointed out:

    a. the appraisal of the adequacy and effective application of the administrative and accounting procedures for the drafting of the consolidated financial statements of Grandi Stazioni S.p.A. is based on the internal model defined in line with the ”Internal Controls – Integrated Framework” issued by the "Committee of Sponsoring Organizations of the Treadway Commission", which acts as a reference framework for the internal audit system generally accepted at the international level;

    b. The aforesaid appraisal revealed the following key aspects:

    - The Company relies on organisational and administrative and accounting procedures which as a whole are deemed to be adequate with regard to its characteristics; however, the actual application of the procedures still needs improvement, in particular with regard to the following through of certain controls, the timescales and the transmission methods for the data required to prepare the financial statements.

- Finally, the formalisation of the activities and controls aimed at governing and monitoring the main IT processes still needs improving. This resulted in the launch of appropriate action plans which, together with the Segregation of Duties (SoD) and IT General Computer Controls (ITGC), will make it possible to redress the shortfalls detected.

As a whole, it is believed that the anomalies highlighted - in relation to which corrective action plans have been or will be launched - have a low impact on the accuracy and quality of the 2013 financial disclosures.

3. It is hereby further certified that:

3.1. the financial statements:

a. were prepared in compliance with the international accounting standards recognised by the European Union in pursuance of (EC) Regulation No. 1606/2002 of the European Parliament and Council dated 19 July 2002;

b. comply with the results of the underlying accounting ledgers and entries;

c. are suitable for providing a true and fair view of the state of affairs the profit or loss of Grandi Stazioni S.p.A.

3.2. The Directors' Report includes a reliable business review and analysis of the result of ordinary operations as well as the performance of Grandi Stazioni S.p.A, together with a description of the main risks and uncertainties it is exposed to.

Rome, 15 April 2014

Chief Executive Officer	Executive Responsible for Drafting corporate accounting documents
*……………………….	……………………….

* It should be noted that the Statement was temporarily signed only by the Executive responsible for drafting corporate accounting documents records, inasmuch as the Chief Executive Officer was unable to sign due to a serious impediment.

“GRANDI STAZIONI S.P.A. – Share capital EUR 4,304,201 fully paid-up. Registered Office: Via G. Giolitti, 34 – 00185 Rome – Registered with the Register of Companies under No.571591/96

REPORT OF THE BOARD OF STATUTORY AUDITORS

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“Dear Shareholders,

You are hereby informed that further to your waiving the deadlines, as we urged you to do insofar as the meeting during which the Board of Directors prepared the financial statements for the year ended 31 December 2013 was held on 15 April 2014, this report was filed on 29 April 2014.

Having said this, we confirm that during the 2013 financial year we carried out

our supervisory task in respect of company operations, since the accounting audit is entrusted to PricewaterhouseCoopers S.p.A..We discharged our duty by constantly liaising with the heads of the various audit divisions and, therefore, seeing to their co-ordination.

The Board of Statutory Auditors took part in all the meetings of the Board of Directors and acquired information on the operating performance and the business outlook from the Company’s Chief Executive Officer and Executive responsible for drafting accounting documents.It also held regular discussions with the Head of the Internal Audit Committee, sharing insights on the reports prepared by her with a view to informing the Board of Directors about the outcome of operations.

The Board of Statutory Auditors considers transactions with related parties as standard, with adequate information being provided in this respect to the Board of Directors under paragraph 45 of the accompanying notes to the consolidated financial statements.

To the extent as the Board of Statutory Auditors was able to ascertain, the Company’s subjection to the management and co-ordination of Ferrovie dello Stato S.p.A., as under Article 2497 of the Italian Civil Code, consists of the implementation of group-wise procedures and changeover to the SAP IT platform, which has been essentially completed.

The Board of Statutory Auditors also interacted constantly with the Independent Auditing Firm PricewaterhouseCoopers S.p.A., as they always took part in the meetings of the Board of Statutory Auditors with the partners and managers in charge of the accounting audit of Grandi Stazioni S.p.A .As a result of such interactions, the Board of Statutory Auditors was able to acknowledge that accounting evidence as well as controls on tax and social security obligations did not reveal any omissions, irregularities, illegal acts or any event which would require reporting to the audit bodies or mentioning in this report.

In this connection, may we point out to you that we specifically held discussions with the Independent Auditing Firm on the subject of the separate and consolidated financial statements, sharing insights especially regarding evaluation aspects considered as most critical.The aforesaid Firm issued its opinion on the same date as the date on which Board of Directors defined the financial statements, such opinion being unqualified and not requiring any additional information.

In view of the foregoing and to the extent of our remit, we therefore believe that the 2013 separate financial statements deserve to be approved.The Board of Statutory Auditors takes due note of the Board of Directors' decision not to make any proposal with regard to the allocation of the profit for the year, leaving any decision in this connection to the shareholders' meeting.

To the extent of our remit and based on the information provided by PricewaterhouseCoopers S.p.A., we believe the corresponding consolidated financial statements to be likewise fit for approval.

You are hereby informed that the Board of Statutory Auditors has not received any report pursuant to Section 2408 of the Italian Civil Code or any other report whatsoever.

Finally, kindly note that the Board of Statutory Auditors' three-year term has expired and you are therefore required to see to the appointment of the Board for the next three-year term."

THE BOARD OF STATUTORY AUDITORS

Carlo Conte

CHAIRMAN

Claudio Bianchi

AUDITOR

Paolo Buzzonetti

AUDITOR