



GrandiStazioni

Financial projects and strategic marketing in the research of coherent and profitable economic segments

The original mission

Refurbishing and Managing a Network made up of 13 main Italian railway stations, increasing its economical and financial value.

The main activities of the first stage of the programme:

- *plan the refurbishment and development project in order to transform the station's complexes in attractive environments for dwellers and travellers;*
- *attract private financing for investment in these complexes;*
- *rationalise business management so as to achieve an operating profit.*

The boosted mission

The acknowledgment of the real estate value of the network stations has signified the evolution of Grandi Stazioni's mission.

From station management to business management inside railway stations: THE STATION BUSINESS.

Grandi Stazioni concentrates on bringing out the value of the managed assets:

- 1,5 million sq.m. in central business area;
- more than 600 million transits/year.

The new core business

Grandi Stazioni has concentrated on financial exploiting all activities that are strictly connected to its core business

These operations are made in order to create more value:

- *creating an original business model;*
- *reducing inefficiency;*
- *internalization of former suppliers' margins.*

The appreciated lines of business

	Partnership	Joint Venture	Special Purpose Vehicle
▪ <i>Retail</i>			
▪ <i>Advertising</i>			
▪ <i>Press</i>			
▪ <i>Services</i> Toilet, Left luggage, Parking			
▪ <i>Finance</i>			
▪ <i>Culture</i>			

1st stage for Retail

First stage of Grandi Stazioni's programme for TEMPORARY SHOPS:

Operational Model:

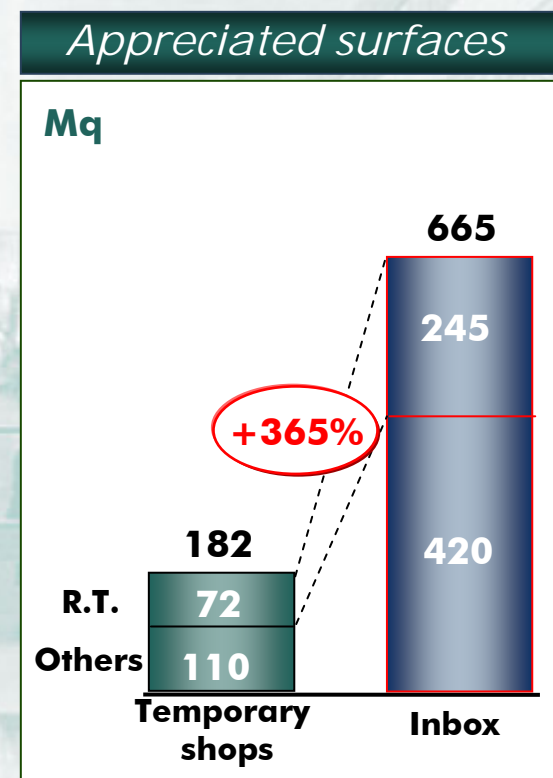
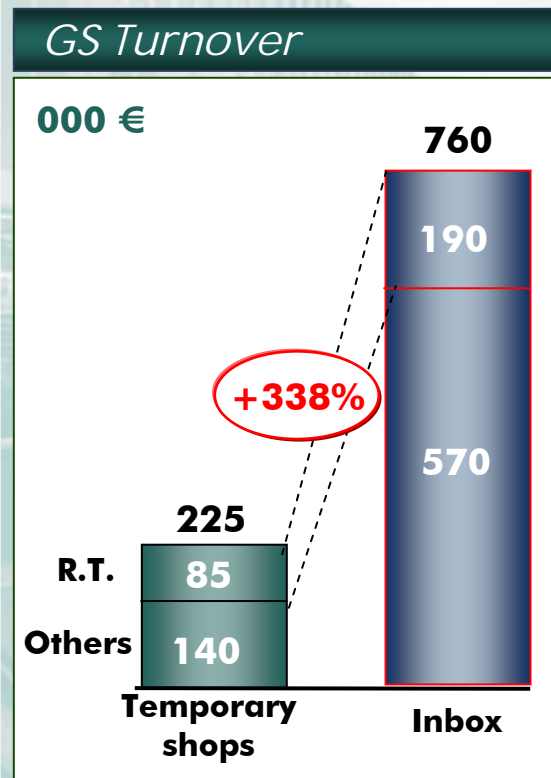
- short terms lease contract to each retailer (1-4 months);
- corner shops conceived and purposely built for each retailer, with its own personnel.

Critical Aspects:

- intrinsic inefficiency;
- confused layout;
- risk in low occupation rate;
- difficulty in raising up leasing fees.

2nd stage for Retail

Grandi Stazioni has tripled the surfaces and the turnover generated by temporary shops-Inbox.



Points of strength

- optimization of signs rotation
- test and cross-fertilization of brands
- higher return than fixed shops
- elimination of unsold risks

2nd stage for Retail

Second stage of the programme for TEMPORARY SHOPS-INBOX :

Operational Model:

- 6+6 lease contract for all temporary spaces to Retail Group S.p.A.;
- R.G. S.p.A. manages boxes with its own staff;
- R.G. S.p.A. operates with sales account conditions.

Improvements:

- only one partner;
- efficiency due to recycling boxes and optimisation on personnel;
- ad hoc/dedicated trading structure.

1st and 2nd stage for Advertising

2004 saw the establishment of GS Advertising.

Old Operational Model:

- advertising managed by a concessionary firm;
- concessionary leased out spaces and gave up a % of profits to GS;
- not planned administration;
- unsuitable quality and number of equipments.

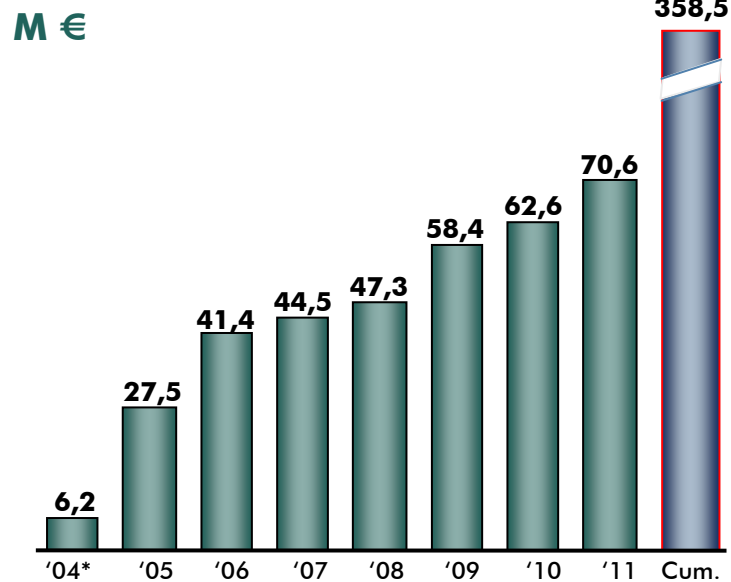
New Operational Model:

- advertising managed by GS Advertising: a focused, slim structure made up of an experienced team;
- GS Advertising leased out spaces and gave up a % of profits to GS;
- expensive investments plan on large number of innovative equipments.

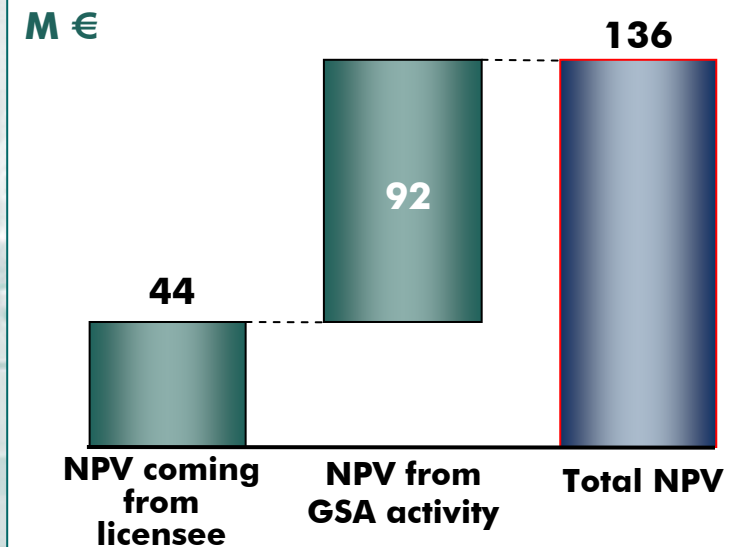
2nd stage for Advertising

The set up of GSA, the in-house licensee, has risen revenues and has generated 93 M value for Grandi Stazioni.

Revenues from Advertising



NPV Advertising in case GSA



Δ Cum. Versus Licensee € + 70% (+148,8 M €)

* Estimate

1st and 2nd stage for Newsstands

Old Operational Model:

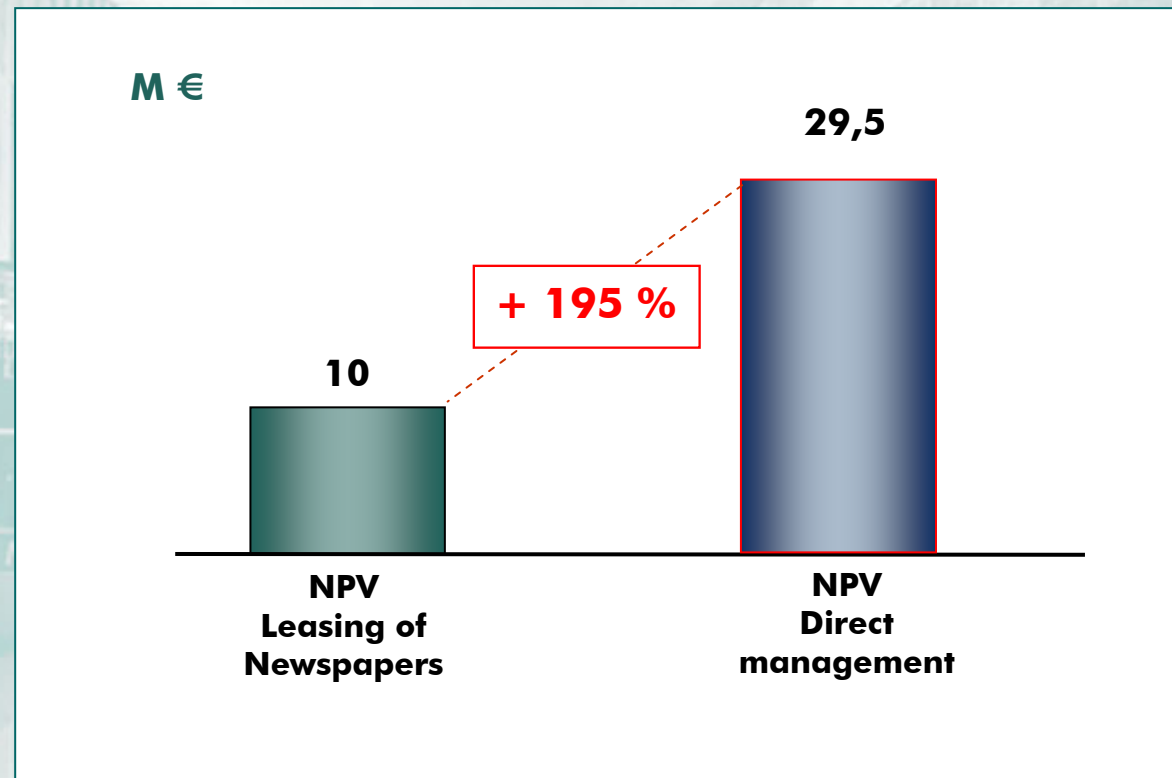
- family management;
- large number of partners;
- not declared profits;
- problem in data collection;
- lack of an original format;
- a poorly optimized merchandising mix;
- lack of synergy with other distribution category;

New Operational Model:

- directly managed by GS with a slim group and by outsourcing some activities;
- format modernization: more appeal and expository efficacy;
- merchandising mix extension supporting goods with higher profit margin;
- absence of unsold risk.

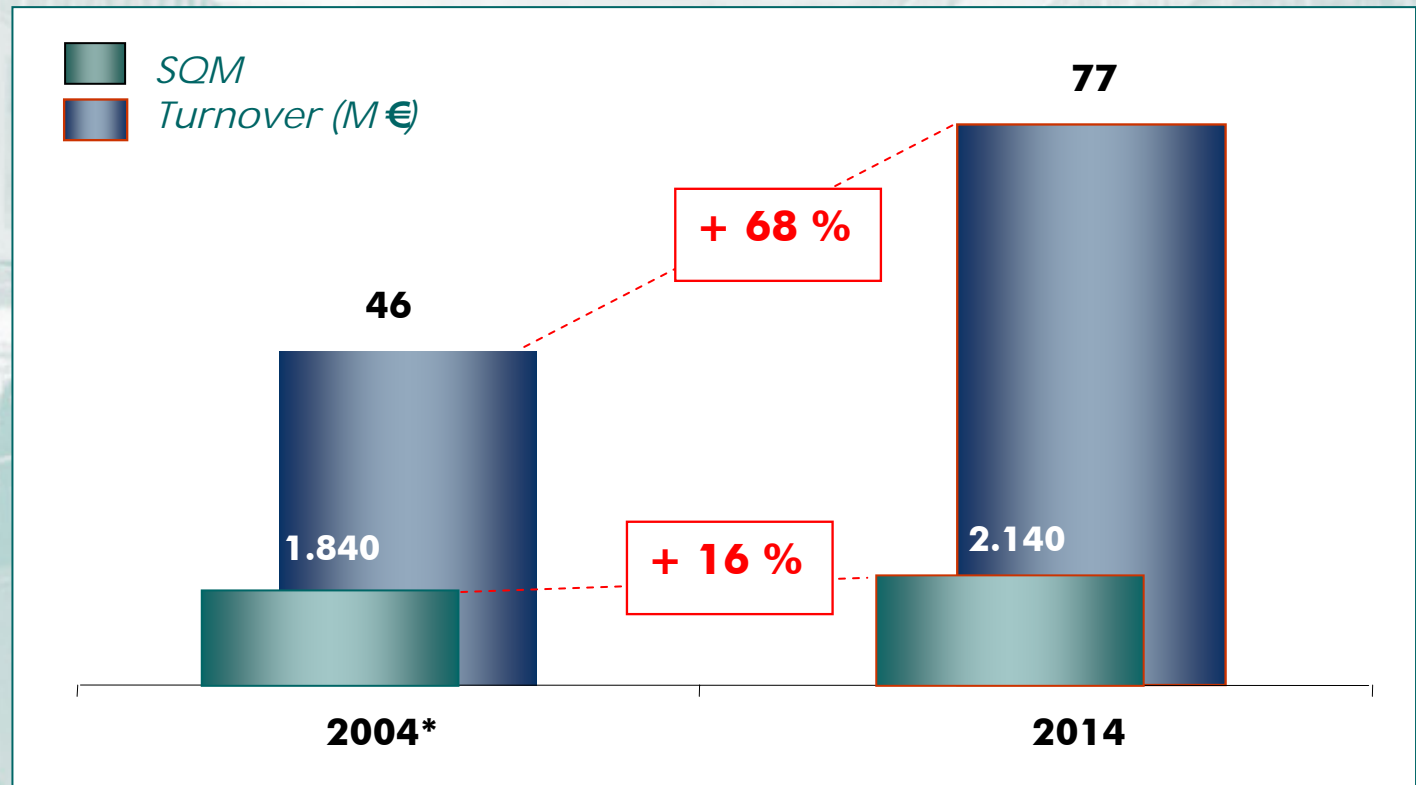
1st and 2nd stage for Newsstands

Direct management generates an increased value for GS, given the renegotiation of leasing contracts.



1st and 2nd stage for Newstands

Evolution in the business of Newstands:



* Estimate

1st and 2nd stage for Left luggage

GS Servizi has been established to manage left luggage, toilets and parking.

GS Servizi programme for LEFT LUGGAGE:

Old Operational Model:

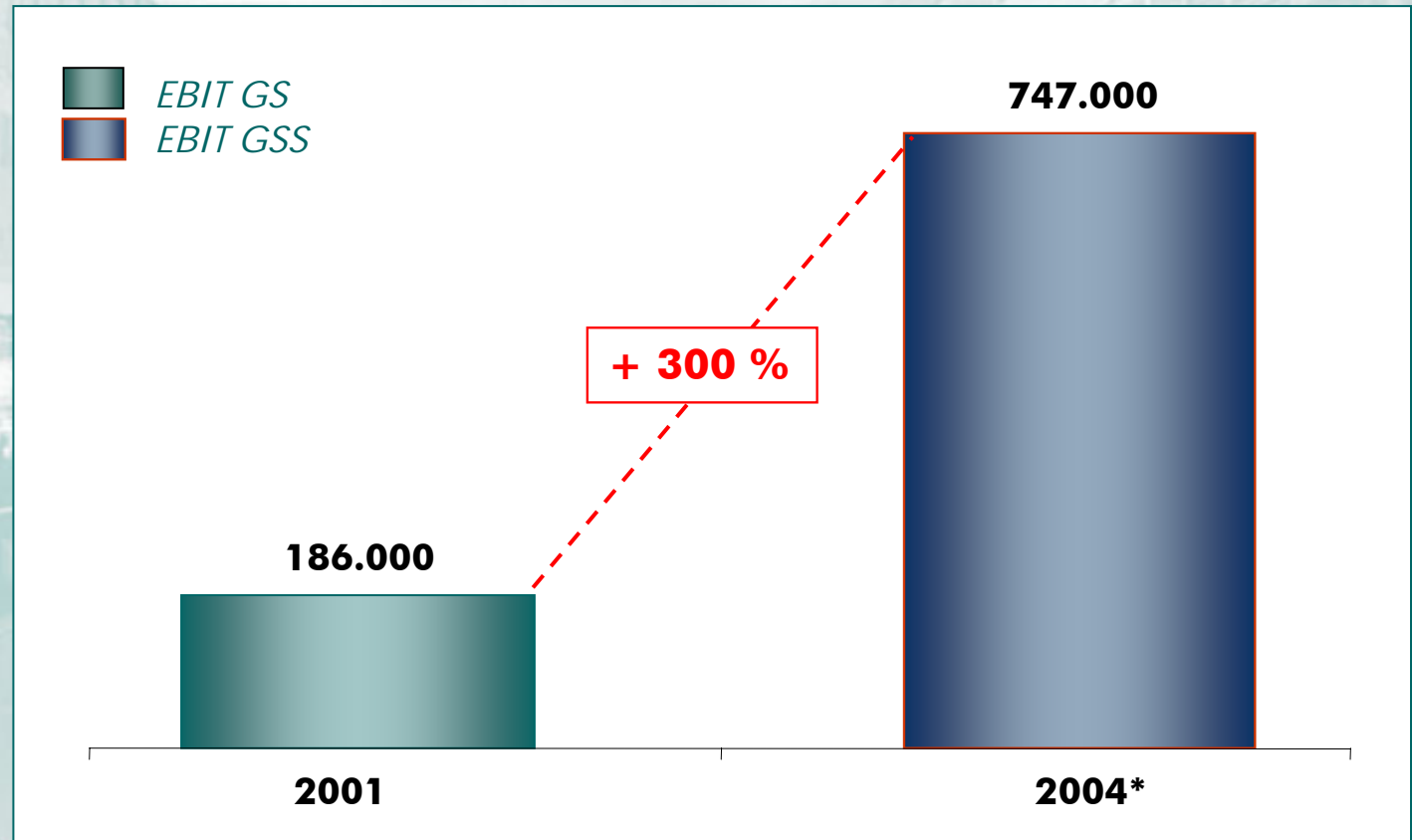
- Roma Termini: left luggage with personnel, managed by a society which recognise only a leasing fee;
- Other stations: left luggage with personnel, any margin for GS.

New Operational Model:

- GS servizi pay a leasing fee to GS;
- rationalization of opening time (6-24);
- introduction of automatic luggage lockers in Rome and Milan;
- maintenance and quality control to a specialized partner.

1st and 2nd stage for Left luggage

Direct management has increased value for GS in the business of Left Luggage



* Estimate

1st and 2nd stage for Toilets

GS Servizi programme for TOILETS:

Old Operational Model:

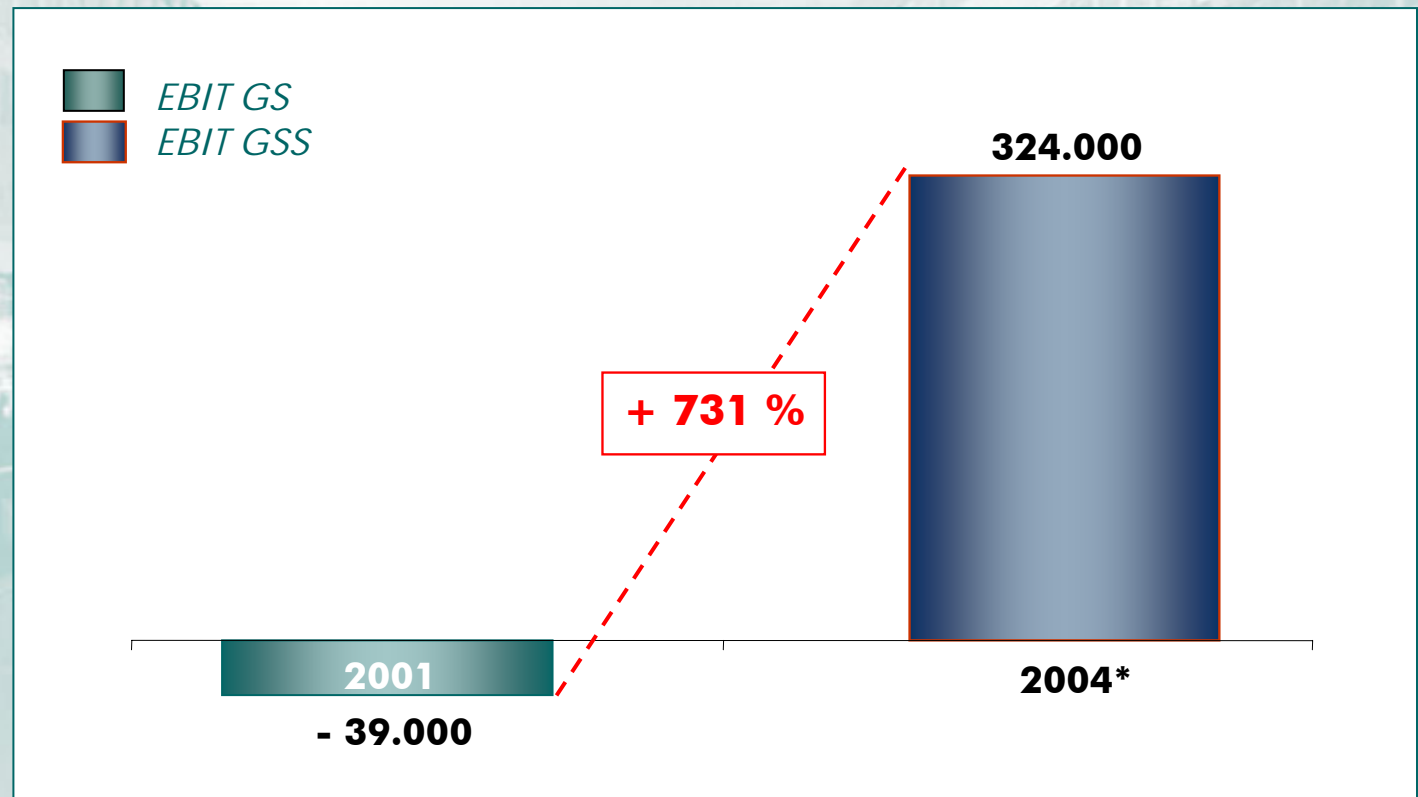
- Roma Termini: payment toilets managed by a cleaning society with garrison staff, GS gave back % of profits;
- Other stations: free toilets;
- low quality of service level and not much qualified staff.

New Operational Model:

- management of facilities to GS Servizi, cleanliness and presidium of services;
- fee-paying services;
- Introduction of turnstiles to eliminate the need for a presidium;
- cleaning and maintenance handed to a contracting firm.

1st and 2nd stage for Toilets

Direct management has increased value for GS in the business of Toilets:



* Estimate

1st and 2nd stage for Parking

Current State of the Art:

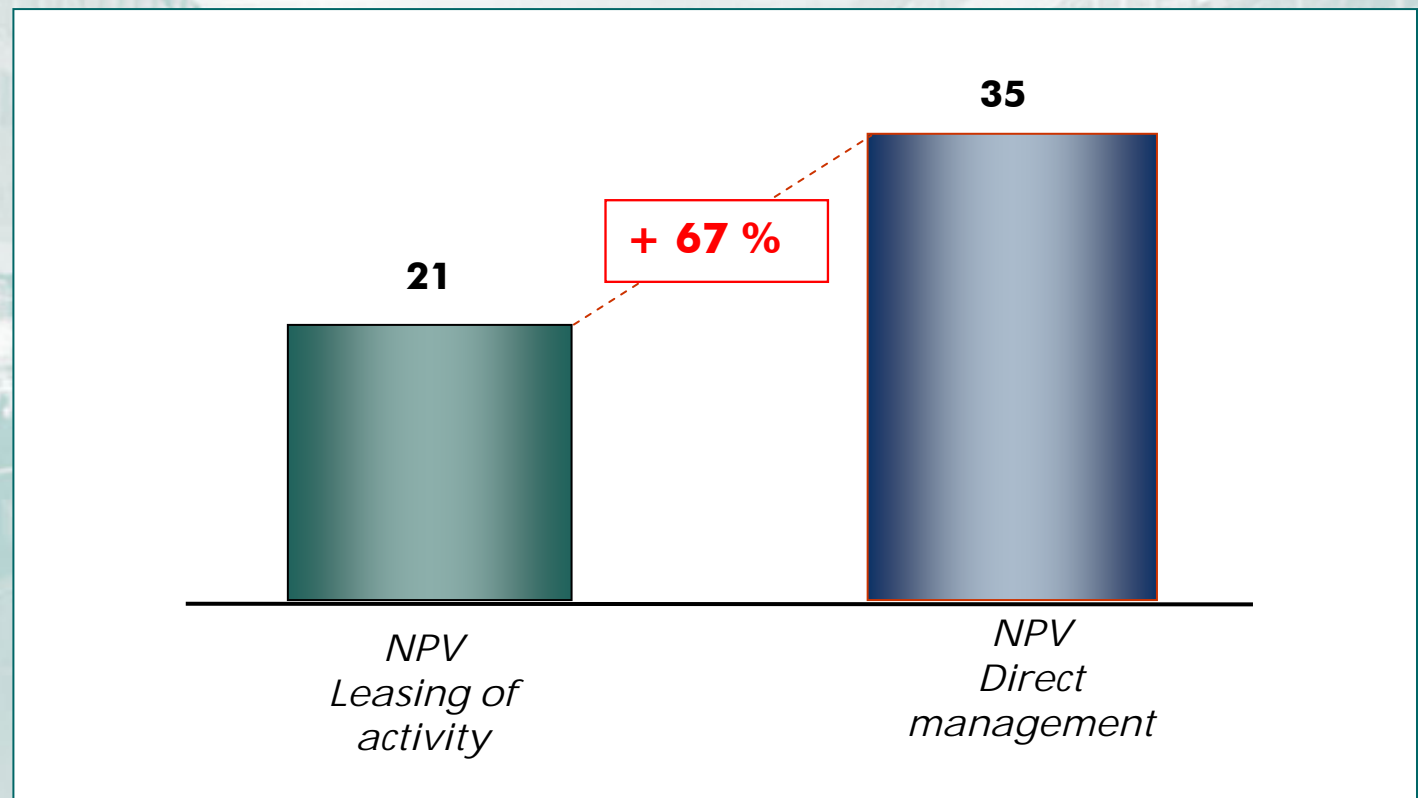
- inadequate number of parking;
- service managed by a cooperative society with a low level of service;
- low accessibility and road network in poor conditions.

The Project:

- a 116 mln € total investment financed by public unsecured funding;
- set-up of 12 parking lots: 4,860 car parking spaces and 995 motorbike parking spaces;
- accessibility and road network enhancement;
- operational management handed to a specialized partner.

1st and 2nd stage for Parking

Direct management generates an increased value for GS, given the leasing of parking lots.



1st stage for Finance

Grandi Stazioni is completing the preliminary study in order to set-up GS Finance through a joint venture with 2 specialized partners.

The main objectives of the project is to increase sales and to allow sales of expensive goods by distribution of financial services, such as:

- *revolving credit cards;*
- *loans for the purchase of goods;*
- *mortgages, personal loans, insurance, ethnic services.*

1st stage for Culture

Since 2000 Grandi Stazioni strives to valorise contemporary art inside the station by setting up an exhibition area inside the Ala Mazzoniana, the station's most breathtaking architectural area.

2004 has represented the climax in Grandi Stazioni's commitment to art:

The exhibition "Guercino: poesia e sentimento nel '600", a production of more than 1,5 M € has attracted more than 150.000 visitors.



2nd stage for Culture

2005 sees the coming of **GATE.- TERmini Gallery of Art:**



Grandi Stazioni is producing new and exclusive exhibitions, hosting art, music, movies, book presentations, cultural events.



GrandiStazioni



CENTENARIO



1905 2005