

## BASE PROSPECTUS



### SIAS S.p.A.

(incorporated with limited liability under the laws of the Republic of Italy)

€2,000,000,000

### Euro Medium Term Note Programme

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Under the €2,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus, SIAS S.p.A. ("**SIAS**" or the "**Issuer**"), subject to all applicable legal and regulatory requirements, may from time to time issue notes in bearer form and in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below) (the "**Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies at the date of issue), save that the maximum aggregate principal amount may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations in force from time to time.

Notes will be issued in Series and, in the case of Secured Notes (as defined below), will be subject to, and have the benefit of, (i) an Italian law governed intercreditor agreement dated 8 October 2010 (as amended or supplemented from time to time, the "**Intercreditor Agreement**") between, *inter alios*, the Issuer, Mediobanca – Banca di Credito Finanziario S.p.A. as intercreditor agent (the "**Intercreditor Agent**"), Deutsche Trustee Company Limited as trustee (the "**Trustee**") and the other Secured Creditors (as defined below) and (ii) one or more Italian law governed deeds of pledge over the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans (as defined below) granted out of the proceeds of the Secured Notes (the "**Deeds of Pledge**") to be entered into by the Issuer in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of each Series of Secured Notes. Pursuant to the Intercreditor Agreement, proceeds from the enforcement of the Security Interests created pursuant to the Deeds of Pledge will be shared *pro rata* among the Secured Creditors who have enforced their respective Security Interests against the Issuer pursuant to the Security Documents (as defined below) (See Condition 5 "*Special Provisions of Secured Notes*" below).

**Investing in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" beginning on page 7 below.**

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

#### Arranger

**MEDIOBANCA – BANCA DI  
CREDITO FINANZIARIO S.p.A.**

#### Dealers

**Crédit Agricole CIB  
Société Générale Corporate & Investment Banking**

**Mediobanca – Banca di Credito Finanziario S.p.A.  
UniCredit Bank**

14 November 2012

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## GENERAL DESCRIPTION OF THE PROGRAMME

This section is a general description of the Programme as provided under Article 22.5(3) of Regulation (EC) 809/2004 (as amended).

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplement to the Base Prospectus will be published. Words and expressions defined in "*Terms and Conditions of the Notes*" below or elsewhere in this Base Prospectus shall have the same meanings in this summary.

### Structural Overview

Each transaction relating to a Series of Notes will be structured as either a secured or an unsecured transaction (the "**Secured Notes**" and the "**Unsecured Notes**", respectively). The Secured Notes, will be subject to, and have the benefit of, an Italian law governed intercreditor agreement and one or more Italian law governed deeds of pledge over the Issuer's receivables and monetary claims (*crediti pecuniari*) as summarised below.

The Secured Notes will be secured by Italian law governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee, all of the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans granted out of the proceeds of the relevant Series of Secured Notes (the "**Collateral**"). In the event of a Conversion which may be implemented in accordance with Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) below, the Trustee shall re-assign to the Issuer, release and discharge the Security Interests constituted by or pursuant to the Deeds of Pledge and the Issuer shall then be released from all obligations under such agreements (save for those which arose prior to such release). Furthermore, the Secured Notes are also subject to, and have the benefit of, an Italian law governed Intercreditor Agreement pursuant to which proceeds from enforcement of the pledges created pursuant to the Deeds of Pledge will be shared *pro rata* among the Secured Creditors who have enforced their respective security interests against the Issuer pursuant to the relevant Security Documents (as defined in the Terms and Conditions) as may be entered into from time to time. The Intercreditor Agreement contains provisions governing the rights of the Secured Noteholders and the other Secured Creditors in respect of the *pro rata* sharing and priority of application of amounts received or recovered in respect of the Collateral and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) among the persons entitled thereto. Each Secured Noteholder shall be deemed to have acknowledged that (i) the Trustee has entered into the Intercreditor Agreement for and on its behalf, (ii) the Secured Creditors (including the Trustee) shall transfer to the Intercreditor Agent all and any proceeds (net of the costs of enforcement and any other amounts due to the Trustee) arising from the enforcement by the Secured Creditors of the Deeds of Pledge and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) and (iii) the Intercreditor Agent shall promptly apply and distribute any such proceeds in accordance with the priority of payment set forth in the Intercreditor Agreement. Secured Creditors who have not enforced their security interests shall not be entitled to share in the proceeds of the enforcement of the security interests granted to and enforced by other Secured Creditors. The Trustee shall have the right under the Security Documents entered into in favour of the Secured Noteholders and the Trustee to make demands, give notices, to exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in accordance with such Security Documents and pursuant to Condition 17 (*Enforcement*) below.

**Issuer:** Società Iniziative Autostradale e Servizi – SIAS S.p.A.

**Material Subsidiaries** Any Subsidiary of the Issuer that receives an Intercompany Loan at any time for so long as such Intercompany Loan is outstanding and/or any Subsidiary of the Issuer which accounts for 10 per cent. or more of the Consolidated Assets or Consolidated Revenues of the Group.

**Arranger:** Mediobanca – Banca di Credito Finanziario S.p.A.

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| <b>Dealers:</b>                            | Crédit Agricole Corporate and Investment Bank, Mediobanca – Banca di Credito Finanziario S.p.A., Société Générale, UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.  |
| <b>Trustee:</b>                            | Deutsche Trustee Company Limited   |
| <b>Intercreditor Agent</b>                 | Mediobanca – Banca di Credito Finanziario S.p.A.   |
| <b>Principal Paying Agent</b>              | Deutsche Bank AG, London Branch  |
| <b>Listing Agent:</b>                      | Deutsche Bank Luxembourg S.A.  |
| <b>Final Terms or Drawdown Prospectus:</b> | Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.  |
| <b>Listing and Trading:</b>                | Application has been made to the Irish Stock Exchange for Notes to be admitted during the period of twelve months after the date hereof to the Official List and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. |
| <b>Clearing Systems:</b>                   | Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.   |
| <b>Programme Amount:</b>                   | Up to €2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time, save that the maximum aggregate principal amount may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations in force from time to time. In particular, the aggregate outstanding amount of Notes issued is subject to certain limits under Italian law, as described in more detail in " <i>Subscription and Sale</i> " below.  |
| <b>Method of Issue:</b>                    | Notes may be issued on a syndicated or non-syndicated basis.   |
| <b>Issuance in Series:</b>                 | Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price, the interest commencement date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.   |

**Forms of Notes:**

Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

The Notes will be issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time.

**Currencies:**

Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

**Status of the Unsecured Notes:**

The Unsecured Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.

**Status of the Secured Notes**

The Secured Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.

**Security in favour of holders of Secured Notes**

Each Series of Secured Notes will be secured by Italian law governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of the relevant Series of Secured Notes all the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the relevant Intercompany Loan granted out of the proceeds of the Secured Notes.

**Conversion**

Should the relevant conditions precedent (including, without limitation, the attainment of the Conversion Threshold) set forth in Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) below be satisfied, the Issuer may (but shall not be obliged to) notify the Trustee that the Secured Notes are to be converted into Unsecured Notes.

From the Conversion Date the holders of Formerly Secured Notes shall then have the immediate benefit of the provisions of Condition 5(e) (*Special Provisions of Secured Notes – Step-up Event following Conversion*).

- Issue Price:** Notes may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
- Maturities:** Subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements, Notes will have a minimum maturity of greater than 12 months.
- Redemption:** Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Final Terms.
- Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
- Tax Redemption:** Except as described in "**Optional Redemption**" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).
- Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
- Fixed Rate Notes:** Interest on Notes bearing interest at a fixed rate will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (and as specified in the relevant Final Terms) and will be repaid on redemption and amounts owing under the Notes will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
- Floating Rate Notes:** Where Notes bear interest at a floating rate, such rate will be determined:
- on the same basis as the floating rate under a notional interest rate swap transaction governed by an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms), as published by the International Swaps and Derivatives Association, Inc.; or
  - on the basis of the relevant rate appearing on the screen page of a commercial quotation service,
- in each case, as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.
- Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount on their aggregate principal amount and will not bear interest, in each case as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.

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| <b>Denominations:</b>                       | Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).   |
| <b>Negative Pledge:</b>                     | The Notes will have the benefit of a negative pledge as described in Condition 4(c) ( <i>Status and Negative Pledge – Negative Pledge</i> ).  |
| <b>Cross Default:</b>                       | The Notes will have the benefit of a cross default as described in Condition 12 ( <i>Events of Default</i> ).   |
| <b>Taxation:</b>                            | All payments in respect of the Notes will be made free and clear of withholding or deduction for or on account of tax of Italy or any applicable jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will (subject as provided in Condition 11 ( <i>Taxation</i> )) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no withholding or deduction been required.   |
| <b>Governing Law:</b>                       | English law. Condition 16 ( <i>Meetings of Noteholders; Noteholders' Representative; Modification and Waiver</i> ) and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law. The Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge ( <i>pegni di crediti</i> ) and all non-contractual obligations arising out of or in connection with the Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge ( <i>pegni di crediti</i> ) are governed by Italian law.   |
| <b>Enforcement of Notes in Global Form:</b> | In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Trust Deed dated 14 November 2012 (which amends, restates and supersedes the trust deed dated 26 October 2011 which, in turn, amended, restated and superseded the trust deed dated 8 October 2010), as amended, restated or supplemented from time to time, a copy of which will be available for inspection at the specified office of the Trustee.  |
| <b>Ratings:</b>                             | <p>The rating of any Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. <b>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</b></p> <p>Whether or not each credit rating applied for in relation to a relevant Series of Notes will be (1) issued by a credit rating agency established in the EEA and registered (or has applied for registration and not been refused) under Regulation (EU) No. 1060/2009 (the "<b>CRA Regulation</b>") or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.</p> |

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

The European Securities and Markets Authority ("ESMA") is obliged to maintain on its website, <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom and Italy) and Japan, see "*Subscription and Sale*" below.

**Risk Factors:**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and include risks related to the structure of a particular issue of Notes and risks common to the Notes generally. See "*Risk Factors*" below.



## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, repay principal or pay other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.*

*Words and expressions defined in "Form of Final Terms", "Terms and Conditions of the Notes" and "Description of the Issuer" or elsewhere in this Base Prospectus have the same meaning in this section.*

*Prospective investors should read the entire Base Prospectus and any document incorporated by reference thereto.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks relating to the industries in which the Group operates**

##### ***The Group is dependent on concessions which account for substantially all of the Group's revenues***

The Group is dependent on Concessions (as defined in the "Description of the Issuer" below) that have been granted to the relevant Motorway Subsidiary to operate various toll roads in Italy. For the year ended 31 December 2011, approximately 81 per cent. of the Group's revenues were derived from toll collections on motorways under the Concessions. The Concessions of the Motorway Subsidiaries are currently set to expire between August 2016 and December 2032 (other than the Concession related to the Asti-Cuneo motorway which will expire 23 years and 6 months following the completion of the relevant infrastructure). Upon the expiry of each of these Concessions, the relevant infrastructure must be given back to the relevant grantor (such as the Ministry of the Infrastructure and Transport (the "MIT") with effect from 1 October 2012 has taken over certain functions previously granted to ANAS in the infrastructure and transport sector) in a good state of repair. No assurances can be given that the Group will enter into new concessions to permit it to carry on its core business after the expiry of each relevant Concession or that any new Concessions entered into or renewals of existing Concessions will be on terms similar to those of its current Concessions. The Group's failure to enter into new concessions or renew existing concessions, in each case on similar or otherwise favourable terms, could have an adverse impact on the Issuer's ability to pay interest on the Notes or to repay the Notes in full at their maturity after the termination date of the relevant Concessions.

##### ***The loss of any Concession, penalties or sanctions for the non-performance or default under a Concession or the suspension of tariff increases may adversely affect the financial results and operations of the Group***

Each Concession is governed by agreements with the MIT requiring the relevant Motorway Subsidiary to comply with certain obligations (including performing regular maintenance and improvement works on the relevant motorways and operating emergency motorway rescue services). Pursuant to the relevant Concession agreement, each Motorway Subsidiary is subject to penalties or sanctions, which in certain cases can be significant, for the non-performance or default under the relevant Concession. Additionally, failure by a Motorway Subsidiary to fulfil its material obligations under its respective Concession could, if such failure is left unremedied, lead to the early termination of the relevant Concession by the grantor (currently being the MIT). Further, in accordance with general principles of Italian law, a Concession could be revoked early for reasons of public interest. In either case, the Group would be required to transfer all of the assets relating to the operation of the relevant motorway network without consideration

to the grantor. However, in the case of early termination of a Concession due to the concessionaires or the grantor, the Motorway Subsidiary may be entitled to receive an amount determined in accordance with the terms of the relevant Concession agreement from the grantor: the determination of the amount of compensation to which the relevant Motorway Subsidiary would be entitled could lead to protracted negotiations with the grantor regarding the effective amount of compensation or indemnification due. In addition, the grantor may be entitled to suspend tariff increases of a single Motorway Subsidiary in certain circumstances of material and continuing non-compliance with the terms of the relevant Concession. A significant amount of the Groups' revenue (approximately 81 per cent.) is derived from the Italian Concessions and a termination of one or more of such Concessions, as well as the suspension of tariff increases, penalties or sanctions for non-performance or default under the terms of any single Concession agreement or the early termination of any of the other Concessions and/or any disputes which might arise in connection with the negotiation of compensation matters, could have a material adverse impact on the Group's results of operations and financial condition and on the Issuer's ability to pay interest on the Notes or to repay the Notes in full at their maturity. See "*Description of the Issuer – Regulatory*", below.

***Reduced traffic volumes and corresponding decreases in toll revenues and royalty revenues could adversely affect the Group's revenues and profitability***

The Group derives most of its revenues from tolls paid by users of the SIAS Group Italian Network (as defined in the Description of the Issuer) and royalty revenues derived from sales of goods and services at service areas on the SIAS Group Italian Network. The aggregate amount of these revenues is dependent primarily on traffic volumes, tariffs and the capacity of the Italian Network to absorb traffic. In turn, traffic volumes and toll revenues are dependent on a number of factors, including the quality, convenience and travel time on toll motorways operated by the Group's competitors, the quality and state of repair of the Group motorways, the economic climate and rising petrol prices in the Republic of Italy, environmental legislation (including measures to restrict motor vehicle usage in order to reduce air pollution), weather and the existence of alternative means of transportation. Long haul traffic, which are trips of 300 kilometres or more and which typically relate to the transport of commercial goods or other business-related activities, are particularly adversely impacted by negative macroeconomic trends. During the first nine months of 2012, the traffic on the SIAS Group Italian Network registered a decrease of 7.74 per cent. compared with the same period in 2011, with light vehicles down 7.79 per cent. and heavy vehicles down 7.55 per cent. The traffic figures for the SIAS Group Italian Network reflect the current macroeconomic recession trend in the Eurozone and in Italy. There can be no assurance that traffic volumes will not decrease further or experience lower than expected increases, and any such effect on traffic volumes could have a material adverse impact on the Group's results of operations or financial condition.

***The Group may not be able to implement the investment plans required under the Concessions within the timeframe and budget expected, may not be able to recoup certain cost overruns and may be subject to delays in the disbursement of the public contributions or revocation by the competent authorities***

The investment plans for each Concession require the relevant Motorway Subsidiary to carry out a number of significant investment projects. There can be no assurance that cost and time of completion estimates for the Group's investment projects are accurate, particularly given that some of the projects are in the preliminary stages of planning. In the Group's experience, significant differences may arise between initial estimates and the ultimate cost and time of completion.

The Group is subject to certain risks inherent in construction projects. These risks may include:

- delays in obtaining regulatory approval for a project (including, but not limited to, environmental requirements and planning approvals at national and local government levels);
- delays in obtaining approvals required for tariff increases in order to fund the project;
- changes in general economic, business and credit conditions;
- the non-performance or unsatisfactory performance of contractors and subcontractors (where such work is performed by third parties);
- interruptions resulting from litigation, disputes, inclement weather and unforeseen engineering problems;

- shortages of materials and labour; and
- increased costs of materials and labour.

In addition to the above, a delay in the completion of the construction of a motorway could affect the ability of the relevant Motorway Subsidiary to generate cash flow sufficient to finance its general corporate purposes, repay the indebtedness assumed to construct the relevant motorway (including, without limitation, the indebtedness owed, if any to the Issuer under the Intercompany Loans) and to pay dividends to its shareholders (such as the Issuer), with a consequent negative impact on the Issuer's ability to pay interest on the Notes or to repay the Notes in full at their maturity.

Although the Group has significant experience in the construction sector and seeks to limit these risks, no assurance can be given that delays and cost overruns will not occur in motorway projects. The applicable regulatory framework does not entitle the Motorway Subsidiaries to recover, through the annual tariff adjustment, losses caused by delays or cost overruns unless such delays or costs are attributable to extraordinary events that can affect the economic and financial plans provisions (such as force majeure events or events that are not controlled by or attributable to the relevant Motorway Subsidiary) and/or to the extent that the provisions set forth in the relevant Concession agreement allow the relevant Motorway Subsidiary to receive a remuneration for the investments made in excess with respect to the relevant economic and financial plans provisions, provided that such investments made in excess are not attributable to the relevant Motorway Subsidiary. Consequently, failure to complete projects within the planned timeframe and/or budget may have a material adverse effect on the Group's results of operations or financial condition.

The Group has assumed that a number of such projects will benefit at least in part from contributions from the Italian government. Although substantially all of the governmental contributions are provided for by law or pursuant to the relevant Concession, there can be no assurance that delays in scheduled completion times of projects or project benchmarks will not result in delays in the payment of contributions from State authorities. On the basis of general principles, public contributions may be subject to revocation by the competent authorities for public interest reasons or due to defaults by the concessionaire to meet the obligations on which the payment of the relevant contribution is dependent. Delays in payments or revocation of public contributions may have a material adverse effect on the Group's working capital and general financial condition and results of operations.

***The Group operates in a highly regulated environment and its operating results and financial condition may be adversely affected by a change in law, governmental policy and/or other governmental actions***

The Italian motorway sector is governed by a series of laws, ministerial decrees and resolutions of the Italian Interministerial Committee for Economic Planning ("CIPE"), as well as by generally applicable laws and special legislation, including environmental laws and regulations. In turn, such laws must comply with, and are subject to, EU law. Each of the Concessions granted to the Motorway Subsidiaries is governed by the specific terms of such Concession, together with other generally applicable laws, ministerial decrees and resolutions. Changes in laws and regulations which affect the tariff formula or activities required to be performed under a concession and thereby adversely impact the economic or financial position of a concessionaire may give rise to a right by the concessionaire to renegotiate the terms of the concession with the grantor in an effort to restore the financial balance of the Concession agreement in existence prior to the relevant changes or to withdraw from the Concession agreement with compensation being paid to the relevant concessionaire for the works carried out. However, there can be no assurance that changes in any of these laws or regulations, including changes that may require the Group to make additional capital investments, will not materially adversely affect the financial results of the Group or that the Group shall be adequately indemnified.

In addition, changes in Italian government policy with respect to motorway concessions, construction and related government grants can significantly affect the Group's results of operations. There can be no assurance that the Group's results of operations or financial condition will not be adversely affected by an adverse change in the regulatory environment, including a reduction in government appropriations, restrictions on operations or other interference from government entities and increasing restrictions on motorway construction.

***Industrial action and damage or destruction of sections of the Group's motorways could adversely affect the Group's revenues, results of operations and financial condition***

Like all motorway concessionaires, the Motorway Subsidiaries face potential risks from industrial action, natural disasters, such as earthquakes or flooding, landslides or subsidence, collapse or destruction of sections of motorway or man-made disasters such as fires, acts of terrorism or the spillage of hazardous substances. The occurrence of any such events could lead to a significant decline in toll revenues from the Group's motorways or a significant increase in expenditures for the operation, maintenance or repair of the Italian Network. Although the Group believes it has put in place sufficient risk, accident and civil liability insurance, there can be no assurance that these policies cover all of the potential liabilities which may arise from third party claims, or from any required reconstruction, or maintenance and operating losses, including costs resulting from motorway damage. The Group's policies do not cover industrial action, and the Group does not carry business interruption insurance to cover operating losses it may experience, such as reduced toll revenues, resulting from work stoppages, strikes or similar industrial action. In addition, the Group carries only limited risk and business interruption insurance to cover damages or operating losses resulting from terrorist acts.

***The Group's operations are subject to extensive environmental regulation***

The Group's activities are subject to a broad range of environmental laws and regulations, which, among other things, require performance of environmental impact studies for future projects, application for, and compliance with, the terms of licences, permits and other approvals. Environmental risks inherent to the Group's activities include those arising from the management of residues, effluents, emissions and land on the Group's facilities and installations. These risks are subject to strict national and international regulations and regular audits by government authorities. Any of these risks may give rise to claims for damages and/or sanctions and may cause potential damage to the Group's image and reputation. In addition, these regulations may be subject to significant tightening or other modifications by national, European and international laws. The cost of complying with these regulations could be onerous. Although the Group has made investments to comply with various environmental laws and regulations, any failure to comply with such laws and regulations and/or any adverse change to environmental regulation may have a material adverse effect on the Group's business, financial condition and results of operations.

**Further risks relating to the Issuer and/or the Group**

***Risks related to the European sovereign debt crisis and the political uncertainties regarding the Eurozone. The escalation of the sovereign debt of certain European countries could lead to instability of the Euro and the Eurozone***

Since the final quarter of 2007, disruption in the global credit markets has created increasingly difficult conditions in the financial markets. The global financial system has yet to overcome these disruptions and difficult conditions. Financial market conditions remain challenging and in certain respects, such as in relation to sovereign credit risk and fiscal deficits in European countries, have deteriorated in the recent years. In particular, in 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Ireland, Portugal, Greece, Spain and Italy, which created concerns about the ability of these European Union states to continue to service their sovereign debt obligations. Due to these concerns, the financial markets and the global financial system in general were impacted by significant turmoil and uncertainty resulting in wide and volatile credit spreads on the sovereign debt of many European Union countries, a fall in liquidity and a consequent increase in funding costs as well as increased instability in the bond and equity markets.

In response to the crisis, assistance packages were granted to Ireland, Portugal and Greece, as well as to Spanish banks, European Union/International Monetary Fund stability facilities were created and plans were announced to increase the size of such resources. Measures were also announced to recapitalise certain European banks, encourage greater long term fiscal responsibility on the part of the individual Member States and bolster market confidence in the Euro as well as the ability of Member States to service their sovereign debt. Despite these and other plans to implement various other measures designed to alleviate these concerns, uncertainty over the outcome of the European Union governments' financial support programs and more general concern about sovereign finances intensified during the first half of 2012 and still persist. However, certain of such proposed steps are subject to final agreement and ratification by the relevant European Union Member States and thus the implementation of such steps in

their currently contemplated form remains uncertain. Even if such measures are implemented, there is no guarantee that they will ultimately and finally resolve uncertainties regarding the ability of Eurozone states to continue to service their sovereign debt obligations. Further, even if such long-term structural adjustments are ultimately implemented, the future of the Euro in its current form, and with its current membership, remains uncertain.

Ongoing concern about the debt crisis in Europe, as well as the possible exit from the Eurozone of one or more Member States and/or the replacement of the Euro by one or more successor currencies to which the foregoing could lead, could have a detrimental impact on the global economic recovery and the repayment of sovereign and non-sovereign debt in these countries, including Italy, as well as on the financial condition of European institutions (both financial and corporate).

There can be no assurance that the market disruption in Europe will not worsen, nor can there be any assurance that current or future assistance packages will be available or, even if provided, will be sufficient to stabilize the affected countries and markets and secure the position of the Euro.

The continuing difficulties and slowdown in the economy, the substantial bailouts of financial and other institutions by governments as well as measures designed to reignite economic growth have led to significant increases in the debt of several countries. As a consequence, various countries of the Eurozone (including Italy) have had their credit ratings downgraded in recent months by the main rating agencies due to the escalation of their sovereign debt levels, political uncertainty regarding reform prospects of the Eurozone and concern over the Eurozone's increasingly weak macroeconomic prospects.

***The Group's business may be adversely affected by the current disruption in the global credit market***

Disruption in the financial markets and the global financial system in general and related challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets (see also "Risks related to the European sovereign debt crisis and the political uncertainties regarding the Eurozone. The escalation of the sovereign debt of certain European countries could lead to instability of the Euro and the Eurozone" above). Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Group. In addition, the financial performance of the Group could be adversely affected by a worsening of general economic conditions in the markets in which it operates (see also "*Reduced traffic volumes and corresponding decreases in toll revenues and royalty revenues could adversely affect the Group's revenues and profitability*" above).

***The Issuer is dependent on its subsidiaries to cover its expenses***

The Issuer's business is conducted through its direct and indirect subsidiaries. As a holding company, the Issuer's sources of funds include, (i) dividends from subsidiaries and (ii) payment of amounts due under Intercompany Loans granted to its subsidiaries as to principal, interest or otherwise; as a consequence, the Issuer depends on both (a) the cash flows of, and the distribution of funds from, these subsidiaries and (b) the ability of these subsidiaries to meet their payment obligations under any Intercompany Loans to fulfil its debt obligations, including its obligations with respect to the Notes. The cash flows generated by the subsidiaries of the Issuer and, as a consequence, the ability of these subsidiaries to meet their payment obligations under any Intercompany Loans depend, inter alia, on the exploitation of the relevant Concessions. In connection with this, it should be noted that, pursuant to the Programme documentation, (i) the expiry of a Concession at its original stated termination date is neither an Event of Default pursuant to Condition 12 (*Event of Default*) nor a Put Event pursuant to Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*) and (ii) there are no restrictions that prevent the Issuer from granting Intercompany Loans that have a maturity date which is later than the original stated termination date of the Concessions held by a Material Subsidiary to which any such Intercompany Loan is granted.

Any reduction or delay of dividends received, and any default or delay in payment of any amount due under the Intercompany Loans, from its subsidiaries could have an adverse effect on the Group's business and results of operations, financial position and cash flows, with a consequent negative impact on the Issuer's ability to pay interest on the Notes or to repay the Notes in full at their maturity.

### ***Funding risks***

The Group's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions (see also "*Risks related to the European sovereign debt crisis and the political uncertainties regarding the Eurozone. The escalation of the sovereign debt of certain European countries could lead to instability of the Euro and the Eurozone*" and "*The Group's business may be adversely affected by the current disruption in the global credit market*" above). If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its funding requirements, which could materially and adversely affect its results of operations and financial condition. The Group's approach toward funding risk is aimed at securing competitive financing and ensuring a balance between average maturity of funding, flexibility and diversification of sources; however, these measures may not be sufficient to fully protect the Group from such risk.

#### ***The Group is subject to interest rate risk arising on its financial indebtedness***

The Group is subject to interest rate risk arising on its financial indebtedness, which varies depending on whether such indebtedness is fixed or floating rate. The risk connected with the fluctuation of interest rates has been reduced by entering into hedging agreements; as at 31 December 2011, approximately 88 per cent. of the Group's borrowings is at fixed rate/hedged. There can be no guarantee that the hedging policy adopted by the Group, which is designed to minimise any losses connected to fluctuations in interest rates in the case of floating rate indebtedness by transforming them into fixed rate indebtedness, will actually have the effect of reducing any such losses. To the extent it does not, this may have an adverse effect on the Issuer's ability to pay interest on the Notes or to repay the Notes in full at their maturity.

#### ***The Group is subject to legal proceedings which could adversely affect its consolidated revenues***

As part of the ordinary course of business, companies within the Group are parties to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Group network. As at 31 December 2011, the Issuer had a provision in its consolidated financial statements for legal proceedings which the Issuer considers to be adequate. Notwithstanding the foregoing, the Issuer believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or its Group's business, financial condition or prospects. In addition to provisions in its financial statements in relation to ongoing proceedings, it is possible that in future years SIAS and the entities of the Group may incur significant losses in connection with pending legal proceedings due to: (i) uncertainty regarding the final outcome of such proceedings; (ii) the occurrence of new developments that were not known to management when evaluating the likely outcome of proceedings; (iii) the emergence of new evidence and information; and (iv) underestimation of probable future losses. To the extent the Group is not successful in some or all of these matters, or in future legal challenges (including potential class actions), the Group's results of operations or financial condition may be materially adversely affected.

#### ***The Issuer's historical consolidated financial and operating results may not be indicative of future performance***

The Issuer's historical consolidated financial and operational performance may not be indicative of the Issuer's or the Group's future operating and financial performance. There can be no assurance of the Issuer's continued profitability in future periods.

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks relating to the Notes**

##### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) consider all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***The Issuer may amend the economic terms and conditions of the Notes without the prior consent of all holders of such Notes***

The Trust Deed and the Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting, and Noteholders who voted in a manner contrary to the majority. Any such amendment to the Notes may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes, and changing the amendment provisions. These and other changes may adversely impact Noteholders' rights and may adversely impact the market value of the Note.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed in the circumstances described in Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) of the Conditions of the Notes.

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features (but is not intended to be an exhaustive description):

***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

### *Redemption for tax reasons*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or certain other relevant jurisdictions or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes

### *Fixed Rate Notes*

Investment in Fixed Rate Notes involves the risks that substantial changes in market interest rates adversely affect the value of the Fixed Rate Notes.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its other Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***The value of the Collateral securing the Secured Notes and the related Deeds of Pledges (pigni di crediti) may not be sufficient to satisfy the Issuer's obligations under the Secured Notes and the Collateral securing the Secured Notes may be reduced or diluted under certain circumstances***

The Secured Notes will be secured by first priority security interests in the Collateral described in this Base Prospectus (see "*General Description of the Programme*").

Given that the value of the Collateral depends upon the cash flows generated by the relevant Material Subsidiary benefiting from the Intercompany Loan, the Collateral may be at risk or reduced if such Material Subsidiary defaults or becomes insolvent.



In case of any reduction in the value of the Collateral securing the Secured Notes, the rights of the holders of the Secured Notes to the Collateral would be affected.

In addition, the Secured Notes are subject to, and enjoy the benefit of, an Italian law governed Intercreditor Agreement pursuant to which proceeds derived from the enforcement of either (i) a pledge created pursuant to the Deeds of Pledge in favour of the holders of the Secured Notes and the Trustee (the "**Pledge**") or (ii) any pledge over the receivables and monetary claims arising from intercompany loans granted to the Subsidiaries of the Issuer out of the proceeds of facilities granted to the Issuer by Secured Creditors other than the holders of the Secured Notes will be shared *pro rata* among the holders of the Secured Notes and the other Secured Creditors who have enforced their respective security interests against the Issuer. In case of enforcement of such security interests following a default of the Issuer, should the proceeds recovered by the Secured Creditors (other than the holders of the Secured Notes) under the relevant security documents not be sufficient to satisfy their respective secured claims *vis-à-vis* the Issuer, pursuant to the Intercreditor Agreement such a loss will be shared *pro rata* among all the Secured Creditors including the holders of the Secured Notes (the same principle would apply in relation the proceeds collected from the enforcement of security interests other than the Pledges which will be shared with the holders of the Secured Notes, should the Collateral not be sufficient to fully satisfy their claims under the Secured Notes). As a consequence, due to the application of the *pro rata* sharing principles set-out in the Intercreditor Agreement, the holders of the Secured Notes may not be able to rely entirely on the proceeds arising from the enforcement of the Pledge in order to satisfy their monetary claims *vis-à-vis* the Issuer under the Secured Notes. In addition, Secured Creditors who have not enforced their Security Interests shall not be entitled to share in such proceeds. Pursuant to the Trust Deed, the Trustee is entitled to enforce the relevant Security Interest for the holders of the Secured Notes.

For further information on the above see "*General Description of the Programme*" above.

*The ability of the Trustee to enforce the Security may be limited*

Bankruptcy law could prevent the Trustee from enforcing the relevant Deed of Pledge upon the occurrence of an event of default if a bankruptcy proceeding is commenced by or against the Issuer before the Trustee takes action to enforce the relevant Deed of Pledge. Under Italian bankruptcy laws, secured creditors such as the Trustee or the holders of the Secured Notes are prohibited from enforcing security against a debtor, without prior approval of a bankruptcy court. It is impossible to predict how long payments under the Secured Notes could be delayed following commencement of a bankruptcy case, whether or when the Trustee could repossess or dispose of the Collateral or whether or to what extent a holder of the Secured Notes would be compensated for any delay in payment or loss of value of the Collateral.

*Absence of security in favour of the holders of Unsecured Notes and Formerly Secured Notes*

The Unsecured Notes shall constitute direct, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured, unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law.

Unlike the Secured Notes, the payment obligations of the Issuer in relation to the Unsecured Notes do not have the benefit of any security interest including, without limitation, any pledge or other security interests over the receivables and monetary claims of the Issuer *vis-à-vis* its Material Subsidiaries (as defined in the Conditions of the Notes) which have received or will receive from time to time intercompany loans from the Issuer. In case of default of the Issuer under the Unsecured Notes, the relevant holders, unlike the holders of the Secured Notes, will not have any direct claim against any subsidiaries of the Issuer (including the Motorway Subsidiaries (as defined in the "*Description of the Issuer*"). As a consequence, in terms of access to the cash flows generated by any subsidiary of the Issuer, the holders of the Unsecured Notes will be contractually subordinated to the holders of the Secured Notes and structurally subordinated to any other creditors of the subsidiaries of the Issuer. The Conditions of the Notes neither prohibit nor limit the subsidiaries of the Issuer from incurring additional indebtedness (either secured or unsecured) from third parties, which, in any event, shall comply with the capital adequacy undertakings assumed by the Motorway Subsidiaries in the relevant Concession contracts as well as with any financial covenant undertaken by the relevant subsidiaries in the contractual documentation relating to their financial indebtedness.

The same principle also applies with respect to the Formerly Secured Notes (i.e. Secured Notes following the Conversion into Unsecured Notes pursuant to Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*)). As is the case for the holders of Unsecured Notes, the holders of Formerly Secured Notes, as a consequence of the release of the relevant Collateral from the Pledge(s), will no longer be entitled to the benefit of any security interest over the receivables and monetary claims of the Issuer arising from the intercompany loans granted by the Issuer to its subsidiaries with the proceeds of the issue of the Secured Notes. It should be noted however that the Conversion of the Secured Notes into Unsecured Notes may only occur to the extent that the Issuer Debt Ratio is at least equal to the Conversion Threshold (i.e. the ratio of the aggregate Indebtedness of the Issuer to the Indebtedness of the Group is at least equal to 85%) and, as a consequence, in circumstances where the Issuer believes that the structural subordination should not persist any longer.

#### *Risk upon occurrence of Conversion of Secured Notes into Unsecured Notes*

Upon written notice of the Issuer to the Trustee and **provided that** the conditions set forth in Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) (including, without limitation, the attainment of the Conversion Threshold) have been satisfied, the Secured Notes shall be converted into Unsecured Notes and such Notes will no longer have the benefit of any security and will rank alongside all other Unsecured Notes. Following the Conversion, should a Conversion Downgrade (as defined under Condition 5(e) (*Special Provisions of Secured Notes – Step-Up Event following Conversion*)) occur, the rate of interest payable in respect of the Formerly Secured Notes will be determined taking into account the Step-Up Margin specified in the relevant Final Terms (or calculated or determined in accordance with the provisions of the Conditions of the Notes), and in no circumstances shall the occurrence of a Conversion Downgrade trigger an Event of Default of the Formerly Secured Notes.

#### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

##### *EU Savings Directive*

Under EC Council Directive 2003/48/EC (the "**EU Savings Tax Directive**") on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent., unless in the case of Luxembourg the beneficial owner of the interest payments opts for one of the two optional information exchange procedures available. The transitional period is to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States (including Switzerland), have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

For further information on the EU Savings Tax Directive, see the section entitled "*Taxation*" below.

##### *Taxation*

The tax regime in Italy and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income

under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

For further information on the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes, see the section entitled "*Taxation*" below.

#### *U.S. Foreign Account Tax Compliance Withholding*

The Issuer and other non-U.S. financial institutions to which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 pursuant to the foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act of 2010. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer has a positive "passthru percentage" (as defined in FATCA), and (iii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS, or (c) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding. The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected.

The application of FATCA to Notes issued or materially modified on or after the date that is six months after the date on which final regulations that define "foreign passthru payments" are published (the end of the grandfathering period) may be addressed in the relevant Final Terms or a supplement/supplementary prospectus to this Base Prospectus, as applicable.

FATCA is particularly complex and its application to the Issuer, the Notes and the Holders of the Notes is uncertain at this time. Each Holder of Notes should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each Holder in its particular circumstance.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with mandatory provisions of Italian law and that the Security Documents in respect of Secured Notes and any Intercompany Loans (as defined in the Terms and Conditions) and all non-contractual obligations arising out of the Security Documents and any Intercompany Loans are governed by Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Base Prospectus.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream,

Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

#### *Delisting of the Notes*

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a "**listing**"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

#### *Denominations and restrictions on exchange for Definitive Notes*

Notes may in certain circumstances be issued in denominations including (i) a minimum denomination of €100,000 (or its equivalent in another currency) and (ii) an amount which is greater than €100,000 (or its equivalent) but which is an integral multiple of a smaller amount (such as €1,000). Where this occurs, Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, a holder who as a result of trading such amounts, holds a principal amount of less than the minimum denomination of €100,000 will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to an integral multiple of €100,000.

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

##### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

##### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

##### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above,

and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to SIAS from time to time or to other Notes issued under the Programme. Notwithstanding the above, any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended, including by Directive 2010/73/UE (the "**Prospectus Directive**").

SIAS, a company subject to the direction and co-ordination of Argo Finanziaria S.p.A. in accordance with Articles 2497 et seq. of the Italian Civil Code, accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or, to the extent that the information relating to that Tranche constitutes a significant new factor in relation to the information contained in this Base Prospectus, in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

The Issuer has confirmed to the Dealers named in "*General Description of the Programme*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer to give any information or to make any representation not contained in this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

None of the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or of the Issuer and the Group (as defined below) since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any

other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group (as defined below) and of the rights attaching to the relevant Notes.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**€**", "**EUR**"; "**euro**" or "**Euro**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant subscription agreement may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

Except where sourced from internal management's analysis of the Issuer's consolidated financial statements, information and statistics presented in this Base Prospectus regarding market volumes and the

market share of the Issuer's motorway subsidiaries and their market share in comparison to their competitors' has been extracted from an independent source, namely AISCAT – *Associazione Italiana Società Concessionarie Autostrade e Trafori* and ISTAT – *Istituto Nazionale di Statistica*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by AISCAT – *Associazione Italiana Società Concessionarie Autostrade e Trafori* and/or ISTAT – *Istituto Nazionale di Statistica*, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external source used is reliable, the Issuer has not independently verified the information provided by the source.



## INFORMATION INCORPORATED BY REFERENCE

The audited consolidated annual financial statements (including the auditors' audit report thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2011 and 2010, its unaudited consolidated semi-annual financial statements for the six months ended 30 June 2012 and 2011 (including the auditors' limited review report thereon and notes thereto) and its unaudited interim consolidated financial statements for the nine months ended 30 September 2012 and 2011 shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

Any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference, by way of supplement prepared in accordance with Article 16 of the Prospectus Directive, modifies or supersedes such statement.

### Cross-reference lists

#### *Audited Annual Financial Statements of the Issuer*

|   | As at 31 December |                 |
|---|-------------------|-----------------|
|   | 2011              | 2010            |
| <b>Consolidated</b> .....   |                   |                 |
| Balance sheet .....   | Page 101          | Page 95         |
| Income statement .....  | Page 102          | Page 96         |
| Cash flow statement .....   | Page 103          | Page 97         |
| Statement of changes in shareholders' equity .....  | Pages 104 - 105   | Pages 98 - 99   |
| Accounting policies and explanatory notes .....   | Pages 107 - 171   | Pages 101 - 162 |
| Certification pursuant to Article 154- <i>bis</i> of Legislative Decree No. 58 of 24 February 1998 <sup>1</sup> ..... | Page 173          | Page 164        |
| Auditors' report .....  | Pages 174 - 176   | Pages 167 - 169 |

#### *Unaudited Semi-annual Consolidated Financial Statements of the Issuer*

|   | As at 30 June |                |
|---|---------------|----------------|
|   | 2012          | 2011           |
| <b>Consolidated</b> .....   |               |                |
| Balance sheet .....   | Page 36       | Page 39        |
| Income statement .....  | Page 37       | Page 40        |
| Cash flow statement .....   | Page 38       | Page 41        |
| Statement of changes in shareholders' equity .....  | Page 39       | Page 42        |
| Accounting policies and explanatory notes .....   | Pages 41 - 94 | Pages 45 - 96  |
| Certification pursuant to Article 154- <i>bis</i> of Legislative Decree No. 58 of 24 February 1998 <sup>2</sup> ..... | Page 96       | Page 98        |
| Auditors' limited review report .....   | Pages 97 - 99 | Pages 99 - 101 |

<sup>1</sup> Pursuant to Article 154-*bis* of Legislative Decree No. 58 of 24 February 1998, such certification is prepared by the chief executive officers and the "executive responsible for the preparation of company accounting documents" to confirm, inter alia: (i) that the documents were prepared in compliance with applicable international accounting standards; (ii) the correspondence between the documents and related bookkeeping and accounting records; and (iii) the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the scope of consolidation.

<sup>2</sup> See footnote 1 above.

**Unaudited Interim Consolidated Financial Statements of the Issuer**

|   | <b>As at 30 September</b> |               |
|---|---------------------------|---------------|
|   | <b>2012</b>               | <b>2011</b>   |
| <b>Consolidated</b> .....   |                           |               |
| Turnover and result of operating activities .....   | Page 29                   | Page 31       |
| Net Financial Position .....  | Page 30                   | Page 32       |
| Explanatory notes .....   | Pages 31 - 36             | Pages 33 – 39 |
| Certification pursuant to Article 154- <i>bis</i> of Legislative Decree No. 58 of 24 February 1998 <sup>3</sup> ..... | Page 36                   | Page 39       |

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus (pursuant to Article 28(4) of Regulation (EC) No. 809/2004 implementing the Prospectus Directive).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus have been filed with the Irish Stock Exchange and may be inspected, free of charge, at the specified offices of the Principal Paying Agent, on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the website of the Issuer (<http://www.grupposias.it/english/financial-information/financial-reports>).

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<sup>3</sup> See footnote 1 above.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163 5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Note**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### **Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

### 1. Introduction

- (a) **Programme:** SIAS S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €2,000,000,000 in aggregate principal amount of notes (the "**Notes**") or such other maximum aggregate principal amount of Notes which may be outstanding under the Programme as may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations. The Notes are issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time. Notes issued under the Programme may be secured or unsecured.
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Trust Deed:** The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 8 October 2010 as amended, restated and supplemented by a trust deed dated 14 November 2012 (as amended, restated or supplemented from time to time, the "**Trust Deed**") between the Issuer and Deutsche Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 8 October 2010 as amended, restated and supplemented by an agency agreement dated 14 November 2012 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (e) **Intercreditor Agreement and Deeds of Pledge:** The Secured Notes are subject to, and have the benefit of, (i) an Italian law governed intercreditor agreement dated 8 October 2010 (as amended or supplemented from time to time, the "**Intercreditor Agreement**") between, *inter alios*, the Issuer, Mediobanca – Banca di Credito Finanziario S.p.A. as intercreditor agent (the "**Intercreditor Agent**"), the Trustee and the other Secured Creditors and (ii) one or more Italian law governed deeds of pledge over the receivables arising from intercompany loans granted to the Subsidiaries of the Issuer out of the proceeds of the Secured Notes (*pegni di crediti*) as may be entered into from time to time (the "**Deeds of Pledge**") to be entered into by the Issuer in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of the relevant Series of Secured Notes.
- (f) **The Notes:** All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms (including any Secured Notes). Copies of the relevant Final Terms are available for viewing at the Specified Office of each of the Paying Agents.
- (g) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Security Documents (as defined below) and the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) and, where applicable, talons for further Coupons ("**Talons**") are bound by, have the benefit of and are

deemed to have notice of, all the provisions of the Trust Deed, the Security Documents and the Agency Agreement applicable to them. The expression "Notes" shall, where the context so permits. Copies of the Trust Deed, the Security Documents and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

## 2. Interpretation

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Base Prospectus**" means the base prospectus dated 14 November 2012 in respect of the Programme;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and



(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Collateral**" has the meaning given to it in Condition 5(b);

"**Concession**" means a motorway concession or concession contract;

"**Consolidated Assets**" means, with respect to any date, the consolidated total assets of the Group for such date, as reported in the most recently published consolidated financial statements of the Group;

"**Consolidated Revenues**" means, with respect to any date, the consolidated total revenues of the Group for such date, as reported in the most recently published consolidated financial statements of the Group;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

- (v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Deed of Pledge**" has the meaning ascribed to it under Condition 1 (*Introduction*) above;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means SIAS S.p.A. and its consolidated companies (direct and indirect) from time to time;

"**Indebtedness**" means any financial indebtedness of any Person for money borrowed or raised;

"**Intercompany Loan**" means any loan made by the Issuer to any of its Subsidiaries out of the funds arising from Indebtedness incurred by the Issuer through the issue of a series of Secured Notes or otherwise, **provided that** the Issuer agrees that the receivables and monetary claims arising from such loan will be pledged in favour of the relevant Secured Creditors;

For the avoidance of doubt, the proceeds of a Series of Secured Notes issued under the Programme may only be used for an Intercompany Loan made to one or more of the Subsidiaries;

"**Intercreditor Agreement**" has the meaning ascribed to it under Condition 1 (*Introduction*) above;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"Margin"** has the meaning given in the relevant Final Terms;

**"Material Adverse Effect"** means a material adverse effect on or material adverse change in:

- (i) the net worth, assets or revenues of the Issuer or the consolidated net worth, assets or revenues of the Group taken as a whole from that shown in the most recently published financial statements of the Issuer or the Group (as the case may be); or
- (ii) the ability of the Issuer to perform and comply with its payment obligations or other material obligations under the Trust Deed or the Notes; or
- (iii) the validity, legality or enforceability of the Trust Deed or the Notes;

**"Material Subsidiary"** means (i) any Subsidiary of the Issuer that receives an Intercompany Loan at any time for so long as such Intercompany Loan is outstanding and/or (ii) any Subsidiary of the Issuer which accounts for 10 per cent. or more of the Consolidated Assets or Consolidated Revenues of the Group;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Encumbrances**" means:

- (i) any lien arising by operation of law or regulated in a given Concession;
- (ii) any Security Interest in existence on the relevant Issue Date of each Series of Notes;
- (iii) any Security Interest securing any Project Finance Indebtedness;
- (iv) any Security Interest created by a company which becomes a Material Subsidiary or any Security Interest over the shares / quotas of a company which becomes a Subsidiary of the Issuer or of a Material Subsidiary after the date of the relevant Final Terms and where such Security Interest already exists at the time that company becomes a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary, as the case may be (**provided that** such Security Interest was not created in contemplation of that company becoming a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary, and the aggregate principal amount secured at the time of that company becoming a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary is not subsequently increased); and
- (v) any Security Interest created in substitution of any security permitted under paragraphs (i) to (iv) above, **provided that** the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest;

"**Permitted Reorganisation**" means:

- (i) in the case of a Material Subsidiary:
  - (A) any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent of the relevant Material Subsidiary whereby all or substantially all of its assets and undertaking are transferred, sold, contributed, assigned or otherwise vested in the Issuer or any other Material Subsidiary or any of their Subsidiaries; or

- (B) a sale, demerger, contribution or other disposal of all or substantially all of the relevant Material Subsidiary's assets whilst solvent to any Person on commercial arm's length terms; or
- (ii) in the case of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent whereby all or substantially all of its assets and undertaking are transferred, sold, contributed, assigned or otherwise vested in a body corporate in good standing and such body corporate (1) assumes or maintains (as the case may be) liability as principal debtor in respect of the Notes; and (2) continues substantially to carry on the business of the Issuer;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Project"** means the ownership, acquisition (in each case, in whole or in part), development, restructuring, leasing, maintenance and/or operation of an asset or assets, including, for the avoidance of doubt, the Concessions and the equity participations in a company holding such assets or assets;

**"Project Finance Indebtedness"** means any present or future, secured or unsecured, Indebtedness of any member of the Group incurred to finance or refinance a Project, whereby (A) the claims of the relevant creditor(s) against the borrower are limited to (i) the amount of cash flow or net cash flow generated by and through the Project during the tenor of such Project Finance Indebtedness and/or (ii) the amount of proceeds deriving from the enforcement of any Security Interest taken over the Project to secure the Project Finance Indebtedness and (B) the relevant creditor has no recourse whatsoever against any assets of any member of the Group other than the Project and the Security Interest taken over the Project to secure the Project Finance Indebtedness;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Rating Agency"** means Moody's Investors Services Inc. (**Moody's**), Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc. (**S&P**) and/or Fitch Ratings Ltd. (**Fitch**), or any of their successors and/or any other independent rating agency indicated in the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption

amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means LIBOR or EURIBOR as specified in the relevant Final Terms;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reserved Matter"** has the meaning ascribed to it in the Trust Deed;

**"Secured Creditors"** means the holders of any Series of Secured Notes and the Trustee and any further providers of Indebtedness to the Issuer whose claims are secured by a Security Interest over the receivables and monetary claims arising from relevant Intercompany Loans and who have acceded to the Intercreditor Agreement from time to time in connection with the granting of any such Security Interest over the Intercompany Loans;

**"Secured Noteholders"** means the holders of the Secured Notes;

"**Secured Notes**" means Notes that have the benefit of the Security Documents as specified in the relevant Final Terms;

"**Security Documents**" means, collectively, the Intercreditor Agreement and the Deeds of Pledge, **provided that** for the purposes of Condition 5(c) (*Special Provisions of Secured Notes – Intercreditor Agreement*) below such expression shall also include the Italian law governed deeds of pledge over the receivables and monetary claims (*crediti pecuniari*) arising from Intercompany Loans granted to the Subsidiaries of the Issuer out of the funds arising from Indebtedness incurred by the Issuer (other than Indebtedness assumed through the issue of Secured Notes) as may be entered into from time to time;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any applicable jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms, provided that no Notes having a minimum denomination of less than €100,000 (or its equivalent in another currency) may be issued under the Programme;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**");

- (a) whose affairs and policies the first Person controls or has the power to control, directly or indirectly, whether by ownership of share capital, contract, the power to appoint or remove the majority of the members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) or pursuant to the proportional method (*metodo proporzionale*) with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Union, as amended;

"**Unsecured Notes**" means Notes that either (i) are unsecured at the time of issue pursuant to the relevant Final Terms or (ii) become unsecured in accordance with the conversion mechanism described in Condition 5; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;



- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

### 3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

### 4. **Status and Negative Pledge**

- (a) **Status of the Unsecured Notes:** The Unsecured Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.
- (b) **Status of the Secured Notes:** The Secured Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.
- (c) **Negative Pledge:** So long as any Note remains outstanding, the Issuer will not, and shall procure that none of the Material Subsidiaries will, create or permit to subsist any Security Interest (other than Permitted Encumbrances) upon the whole or any part of their respective present or future undertakings, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the holders of the Notes or as may be approved by an Extraordinary Resolution of Noteholders. For the avoidance of doubt, no issue of Secured Notes having the benefit of the security provisions of Condition 5 or the resulting Security Documents will constitute a breach of this Condition 4(c).

5. **Special Provisions of Secured Notes**

(a) **Application:**

- (i) Condition 5(b) (*Special Provisions of Secured Notes – Pledge*) and Condition 5(c) (*Special Provisions of Secured Notes – Intercreditor Agreement*) are applicable to the Notes only if the "**Secured Note Provisions**" are specified in the relevant Final Terms as being applicable;
- (ii) Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) and Condition 5(e) (*Special Provisions of Secured Notes – Step-Up Event following Conversion*) are applicable to the Notes only if both the "**Secured Note Provisions**" and the "**Conversion from Secured Notes to Unsecured Notes**" are specified in the relevant Final Terms as being applicable; and
- (iii) Condition 5(e) (*Special Provisions of Secured Notes- Step-Up Event following Conversion*) is applicable to Unsecured Notes issued following the Conversion if the "**Step-Up Margin**" is specified in the relevant Final Terms.

(b) **Pledge:** The Secured Notes will be secured by Italian law governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee all of the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans granted out of the proceeds of the relevant Series of Secured Notes (the "**Collateral**"). In the event of a Conversion (as defined below), the Trustee shall re-assign to the Issuer, release and discharge the Security Interests constituted by or pursuant to the Deeds of Pledge and the Issuer shall then be released from all obligations under such agreements (save for those which arose prior to such release).

(c) **Intercreditor Agreement:** The Secured Notes are also subject to, and have the benefit of, an Italian law governed Intercreditor Agreement pursuant to which proceeds from enforcement of the pledges created pursuant to the Deeds of Pledge will be shared *pro rata* among the Secured Creditors who have enforced their respective security interests against the Issuer pursuant to the relevant Security Documents (which expression shall include for the purpose of this Condition 5(c) also the Italian law governed deeds of pledge over the receivables and monetary claims (*pegni di crediti*) arising from Intercompany Loans granted to the Subsidiaries of the Issuer out of the funds arising from Indebtedness incurred by the Issuer (other than Indebtedness assumed through the issue of Secured Notes) as may be entered into from time to time). The Intercreditor Agreement contains provisions governing the rights of the Secured Noteholders and the other Secured Creditors in respect of the *pro rata* sharing and priority of application of amounts received or recovered in respect of the Collateral and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) among the persons entitled thereto. Each Secured Noteholder shall be deemed to have acknowledged that (i) the Trustee has entered into the Intercreditor Agreement for and on its behalf, (ii) the Secured Creditors (including the Trustee) shall transfer to the Intercreditor Agent all and any proceeds (net of the costs of enforcement and any other amounts due to the Trustee) arising from the enforcement by the Secured Creditor of the Deeds of Pledge and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) and (iii) the Intercreditor Agent shall promptly apply and distribute any such proceeds in accordance with the priority of payment set forth in the Intercreditor Agreement. Only Secured Creditors (including the holders of the Secured Notes) who have enforced their security interests shall be entitled to share in the proceeds of the enforcement of the security interests granted to and enforced by other Secured Creditors. The Trustee shall have the right under the Security Documents entered into in favour of the Secured Noteholders and the Trustee to make demands, give notices, to exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in accordance with such Security Documents and pursuant to Condition 17 (*Enforcement*) below.

(d) **Conversion from Secured Notes to Unsecured Notes:** When the Issuer Debt Ratio is at least equal to the Conversion Threshold, the Issuer may (but shall not be obliged to) notify the Trustee that the Secured Notes are to be converted into Unsecured Notes. Such request shall be contained in a written notice signed by two directors of the Issuer (one of whom must be the

chief financial officer, the finance director or the chief executive officer of the Issuer) (a "**Conversion Notice**") attaching the following documents:

- (i) a Compliance Certificate; and
- (ii) an Independent Auditors Certificate.

Following receipt by the Trustee of a Conversion Notice as set out above and the Trustee having found such notification satisfactory to it, the Secured Notes shall be converted into Unsecured Notes on the date of notification being given to the Noteholders by the Trustee, such notice to be given within 15 Business Days of receipt by the Trustee of the Conversion Notice and to be given pursuant to Condition 19 below ("**Conversion**" and the date of such Conversion, the "**Conversion Date**"). Holders of formerly Secured Notes (the "**Formerly Secured Notes**") shall then have the immediate benefit of the provisions of Condition 5(e) below from the Conversion Date. For the purpose of this Condition 5(d), "**Business Day**" shall mean a day on which commercial banks are open for business in London.

- (e) **Step-Up Event following Conversion:** If at any time prior to the Conversion:
  - (i) the Notes carry a credit rating from a Rating Agency and after the delivery of a Conversion Notice or at any time following the Conversion Date (as applicable):
    - (A) a Conversion Downgrade occurs; or
    - (B) the Issuer Debt Ratio is lower than the Conversion Threshold as verified upon any Conversion Threshold Test Date; or
  - (ii) the Notes do not carry a credit rating from a Rating Agency and following the delivery of a Conversion Notice or following the Conversion Date (as applicable), the Issuer Debt Ratio is lower than the Conversion Threshold as verified upon any Conversion Threshold Test Date,

the Rate of Interest (as defined under Condition 2(a) above) payable in respect of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion, for the immediately following Interest Period and thereafter, will be determined taking into account the Step-Up Margin.

For the purposes of this Condition 5(e):

- (1) the Issuer undertakes to notify the Trustee, the Noteholders (pursuant to Condition 19 (*Notices*)) and the Paying Agents of any Conversion Downgrade referred to in (i) above within 15 days of such event occurring; and
- (2) the Issuer undertakes to notify the Trustee, the Noteholders (pursuant to Condition 19 (*Notices*)) and the Paying Agents of the Issuer Debt Ratio as calculated on each Conversion Threshold Test Date as referred to in (ii) above within 15 days of any such date, and to deliver to the Trustee a Compliance Certificate and an Independent Auditors Certificate;

For the purposes of this Condition 5 (*Special Provisions of Secured Notes*):

"**Compliance Certificate**" means a certificate in the form set out in the Trust Deed and upon which the Trustee may rely absolutely and without further enquiry delivered by the Issuer to the Trustee which sets out the Issuer Debt Ratio by reference to the most recently published annual or half yearly non-consolidated (for the purpose of calculating the aggregate Indebtedness of the Issuer) and consolidated (for the purpose of calculating the aggregate Indebtedness of the Group) financial statements of the Issuer and which is signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer);

"**Conversion Downgrade**" means an event that will be deemed to have occurred if the rating of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion is

downgraded and the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such downgrade was caused by the structural subordination of the Issuer and consequently of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion so that, in case of bankruptcy or liquidation of the Issuer, the claims of the holders of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion against the Subsidiaries would be subordinated to, and satisfied after, the claims of direct creditors of such Subsidiaries;

"**Conversion Threshold**" means 85 per cent;

"**Conversion Threshold Test Date**" means in each year (i) the date falling 30 days after the approval of the Issuer's annual consolidated financial statements and (ii) the date following 30 days after approval of the Issuer's half yearly consolidated financial statements, in each case by the Issuer's board of directors in respect of each year or half-year period in each year;

"**Independent Auditors Certificate**" means an agreed upon procedures report of a reputable firm of independent auditors (which may be the Issuer's independent auditors) prepared in accordance with International Standard on Related Services (ISRS) 4400 (or similar standard applicable from time to time) addressed to the Trustee stating that the numbers used in determining the Issuer Debt Ratio reported in the relevant Compliance Certificate have been properly extracted from the Issuer's annual or half year non-consolidated or consolidated financial statements as the case may be, and that the calculations have been properly made;

"**Issuer Debt Ratio**" means the ratio (expressed as a percentage) of the aggregate Indebtedness of the Issuer to the Indebtedness of the Group; and

"**Step-Up Margin**" means the step-up margin (expressed as a percentage per annum) of additional interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

#### 6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

(a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as

defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (i) Italy or (ii) the jurisdiction of residence and/or incorporation of the Issuer, any successor to the Issuer or any of the Material Subsidiaries following a Permitted Reorganisation, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes (or the date that any successor to the Issuer or any of the Material Subsidiaries following a Permitted Reorganisation assumes the obligations of the Issuer or any of the Material Subsidiaries hereunder); and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two authorised signatories or two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the holders of the Notes.

- (c) **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Redemption at the option of Noteholders on the occurrence of a Put Event:** If the Put Option is specified in the relevant Final Terms as being applicable and a Put Event (as defined below) occurs, then, unless at any time the Issuer has given a notice under either Condition 9(b) or 9(c) in respect of the Notes, each Noteholder will, upon the giving of a Put Option Notice at least five Business Days prior to the Optional Redemption Date (Put), have the option to require the Issuer to redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the holder of a Note must promptly upon becoming aware that a Put Event (as defined below) has occurred, and in any event no later than 21 days after the occurrence of the Put Event, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For



so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

A "**Put Event**" shall be deemed to have occurred if:

- (A) at the time of the occurrence of any of the events in paragraphs (1) to (7) below, neither the Issuer nor the Notes have a credit rating from any Rating Agency; or
- (B) as a consequence of the occurrence of any of the events mentioned in paragraphs (1) to (7) below, a Put Downgrade occurs within 60 days and the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such Put Downgrade resulted from the occurrence of one of the events mentioned in paragraphs (1) to (7):
  - (1) any of the Concessions held by a Material Subsidiary are terminated (prior to the original stated termination date) or revoked in accordance with their respective terms; or
  - (2) a ministerial decree has been enacted granting to another person or entity one or more of the Concessions held by a Material Subsidiary prior to the original stated termination date (in each case, other than where such Concessions have been granted to another member of the Group); or
  - (3) it becomes unlawful for any Material Subsidiary to perform any of the material terms of any of the Concessions; or
  - (4) one or more of the Concessions held by a Material Subsidiary are declared by the competent authority to cease before their original stated termination date; or
  - (5) one or more of the Concessions cease, prior to the original stated termination date, to be held by a Material Subsidiary or any successor resulting from a Permitted Reorganisation; or
  - (6) one or more of the Concessions held by a Material Subsidiary are amended in a way which has a Material Adverse Effect; or
  - (7) (A) in relation to a Material Subsidiary which has received an Intercompany Loan out of the funds arising from the issue of a Series of Secured Notes and in which, at the time of the issue of such Secured Notes, the Issuer owned, directly or indirectly, a number of shares or quotas equal to at least 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary, the Issuer ceases to own, directly or indirectly, at least 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary or the right to determine the composition of the majority of the board of directors of such a Material Subsidiary, or  
  
(B) in relation to a Material Subsidiary which has received an Intercompany Loan out of the funds arising from the issue of a Series of Secured Notes and in which, at the time of the issue of such Secured Notes, the Issuer owned, directly or indirectly, a number of shares or quotas lower than 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary, the Issuer ceases to own, directly or indirectly, the percentage of the equity capital of such Material Subsidiary set forth in the relevant Final Terms (such percentage not necessarily being equal to the one held by the Issuer at the time of issue of the relevant Notes).

The Issuer undertakes to notify the Trustee in writing of the occurrence of any of the events mentioned in paragraphs (B)(1) to (7) above within 15 days of such occurrence and to notify the Noteholders and the Trustee of any receipt of a notice from a Rating Agency as referred to in the introductory paragraph to (B) above within 15 days of such receipt.

Notwithstanding the above, neither (i) the expiry of one or more Concessions at the original stated termination date nor (ii) the occurrence of any of the circumstances referred in Condition 12(l) (*Government intervention*) below shall cause the occurrence of a Put Event.

For the purposes of this Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*):

"**Put Downgrade**" means an event that will be deemed to have occurred if, immediately prior to the occurrence of the events mentioned in paragraphs (1) to (7) above, the Notes carry:

- (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better) from any Rating Agency and such rating is either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or is withdrawn; or
- (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) from any Rating Agency and such rating is either downgraded by one or more notches (for illustration, BB+ to BB, Ba1 to Ba2 and BB+ to BB being one notch) or is withdrawn.

In the case where the Notes carry more than one rating, the highest will be taken into consideration for the purposes of this Condition 9(e).

- (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. If purchases are made by tender, tenders must be available to all Noteholders alike. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 9(h) may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.
- (i) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may be cancelled and may not be reissued or resold, without prejudice to Condition 9(h) above in respect of Notes so purchased by the Issuer or any of its Subsidiaries.

## 10. **Payments**

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

- (b) **Interest:** Payments of interest shall, subject to paragraph (g) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of that Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 9(e) (*Redemption and*

*Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*), Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 11. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the amount of the payments of principal and interest in respect of the Notes and the Coupons due by or on behalf of the Issuer shall be increased to an amount which, after applying the aforementioned withholding or deduction, leaves an amount equal to the payment which would have been due if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
  - (i) in the Republic of Italy; or
  - (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy, other than the mere holding of the Note or Coupon; or
  - (iii) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") or any law or agreement implementing or complying with, or introduced in order to conform to, this Directive; or
  - (iv) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
  - (v) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
  - (vi) by or on behalf of a holder of the Notes or Coupons who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or residence or other similar claim for exemption; or

- (vii) by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a tax haven country pursuant to Article 110, paragraph 10 of Presidential Decree No. 917 of 22 December 1986 (as currently defined and listed in the Italian Ministry of Finance Decree of 23 January 2002); or
  - (viii) in relation to any payment or deduction of any interest, premium or proceeds of any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") as amended and/or supplemented or any regulations implementing or complying with such Decree; or
  - (ix) where such withholding or deduction is required pursuant to Article 26 of the Italian Legislative Decree No. 600 of 29 September 1973 ("**Decree 600**") as amended and/or supplemented or any regulations implementing or complying with such Decree; or
  - (x) with respect to any Notes qualifying as "atypical" securities (*titoli atipici*), where such withholding or deduction is required pursuant to Italian Law Decree 30 September 1983, No. 512, converted with amendments by Law 25 November 1983, No. 649, as subsequently amended and/or supplemented.
- (b) **Taxing jurisdiction:** If the Issuer becomes subject with respect to its income at any time to any taxing jurisdiction other than Italy by reason of its tax residence or a permanent establishment maintained therein, references in these Conditions to Italy shall be construed as references to Italy and/or such other jurisdiction.

## 12. **Events of Default**

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least one fifth of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject, in the case of item (b) only, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the holders of the Notes and, in all cases, to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof and such failure continues for a period of 7 days or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, pursuant to the Trust Deed and/or pursuant to the relevant Security Documents (the latter in the case of Secured Notes of the relevant Series only) and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 60 days after and Trustee has given written notice thereof, to the Issuer; or
- (c) **Cross-default of Issuer or Material Subsidiaries:**
  - (i) any Indebtedness of the Issuer or any of the Material Subsidiaries is not paid when due or (as the case may be) within any applicable grace period; or
  - (ii) any such Indebtedness becomes due and payable prior to its stated maturity by reason of an event of default, howsoever described; or
  - (iii) the Issuer or any of the Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness within any applicable grace period; or

**provided that** an event of default pursuant to this Condition 12(c) (*Events of Default – Cross-default of Issuer or Material Subsidiaries*) shall only occur if the amount of Indebtedness

referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment an aggregate amount in excess of €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of the Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance (other than Permitted Encumbrances which definition, for the purposes of this Condition 12(e) only, shall exclude any Security Interest created pursuant to the Security Documents) created or assumed by the Issuer or any of its Material Subsidiaries in respect of all or a substantial part of the property, assets or revenues of the Issuer or any of the Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (f) **Insolvency etc:** (i) the Issuer or any of the Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of the Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of the Material Subsidiaries is appointed (or application for any such appointment is made unless such application is contested or stayed in good faith or dismissed within 60 days) or (iii) the Issuer or any of the Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations (other than any agreement evidenced in writing amending the terms of any obligation entered into in the ordinary course of its business by the Issuer or a Material Subsidiary (as the case may be), in each case whilst solvent and in circumstances other than inability to pay debts and in which no event of default (howsoever described) has occurred) or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or
- (g) **Change of business:** the Issuer or any of the Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than for the purposes of a Permitted Reorganisation or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), **provided that** neither (i) the expiry of one or more Concessions at its original stated termination date nor (ii) the occurrence of a Put Event listed under Condition 9 (e) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*) will trigger the event of default set forth in this Condition 12(g) (*Events of Default – Change of business*); or
- (h) **Winding up etc:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of the Material Subsidiaries (otherwise than for the purposes of a Permitted Reorganisation or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (i) **Analogous event:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) above; or
- (j) **Failure to take action etc:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, the Trust Deed and, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons, the Trust Deed and, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, admissible in evidence in the courts of Italy is not taken, fulfilled or done; or
- (k) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or, in the case of the Secured Notes

of a particular Series only, the Security Documents relating to such Series, unless the matter giving rise to such unlawfulness is promptly remedied by the Issuer; or

- (l) **Government intervention:** (A) all or substantially all (in the opinion of the Trustee) of the undertaking, assets and revenues of the Issuer or any of the Material Subsidiaries is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or (B) the Issuer or any of the Material Subsidiaries is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues, in either case having a Material Adverse Effect.

13. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

14. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Trustee (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the holders of the Notes. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the holders of the Notes as a class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of the Paying Agent and to appoint a Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Principal Paying Agent; and
- (b) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive, or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Noteholders' Representative; Modification and Waiver**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the schedules of the Trust Deed).

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution, the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy and the by-laws of the Issuer in force from time to time (including, without limitation, Legislative Decree No. 58 of 24 February 1998) and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding:

- (i) a meeting of Noteholders may be convened by the Issuer and/or by the Noteholders' Representative (as defined below) and/or by the Trustee and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;
- (ii) a meeting of Noteholders will be validly held as a single call meeting ("**Single Call Meeting**") or as a multiple call meeting ("**Multiple Call Meeting**") if (1) in the case of a Single Call Meeting, there are one or more persons present, being or representing Noteholders holding at least one-fifth of the principal amount of the Notes for the time being outstanding or such higher quorum as may be provided for in the Issuer's by-laws or (2) in the case of a Multiple Call Meeting, (A) there are one or more persons present, representing or holding at least half of the aggregate principal amount of the outstanding Notes, or (B) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are one or more persons present representing or holding more than one third of the aggregate principal amount of the outstanding Notes, or (C) in the case of any subsequent meeting following a further adjournment for want of quorum, there are one or more persons present representing or holding at least one fifth of the aggregate principal amount of the outstanding Notes **provided, however, that** Italian law and/or the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a Single Call Meeting or as a Multiple Call Meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time; and
- (iii) the majority required to pass an Extraordinary Resolution at any meeting (including any meeting convened following adjournment of the previous meeting for want of quorum) will be (A) for voting on any matter other than a Reserved Matter, at least two thirds of the aggregate principal amount of the Notes represented at the meeting or (B) for voting on a Reserved Matter, at least one half of the aggregate principal amount of the outstanding Notes, unless a different majority (higher or lower depending on the circumstances) is required pursuant to Article 2369, paragraph 3 or paragraph 7, of the Italian Civil Code, respectively **provided, however, that** the Issuer's by-laws may in each case under (A) and (B) above (to the extent permitted under applicable Italian law) provide for a larger majority.
- (b) **Noteholders' Representative:** A representative of the Noteholders (*rappresentante comune*) (the "**Noteholders' Representative**"), subject to applicable provisions of Italian law, will be



appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter Representative and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

- (c) ***Modification and waiver:*** The Trust Deed contains provisions according to which the Trustee may, without the consent of the holders of the Notes, agree to any modification of these Conditions, the Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Notes and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the parties to the Trust Deed may agree, without the consent of the holders of the Notes, to modify any provision thereof if it is made to comply with mandatory laws, legislation, rules and regulations of Italy and the Issuer's by-laws applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution and entered into force at any time while the Notes remain outstanding (including, without limitation, Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies as implemented in Italy, as amended or supplemented from time to time).

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Notes or the Trust Deed or determine that any Event of Default shall not be treated as such (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the holders of the Notes as soon as practicable thereafter.

*Modification/Waiver in respect of Intercreditor Agreement*

The Trustee may, without the consent of the holders of the Notes, agree to any modification of the Intercreditor Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Secured Notes and to any modification of the Intercreditor Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Intercreditor Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Secured Notes will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the holders of the Secured Notes as soon as practicable thereafter.

*Modification/waiver in respect of Deeds of Pledge and Intercompany Loan Agreements*

The Trustee may, without the consent of the holders of the Notes, agree to any modification of a Deed of Pledge or an Intercompany Loan Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Secured Notes of the Series to which such Deed of Pledge or Intercompany Loan Agreement relates and to any modification of a Deed of Pledge or an Intercompany Loan Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of a Deed of Pledge or an Intercompany Loan Agreement (other

than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Secured Notes of the Series to which such Deed of Pledge or Intercompany Loan Agreement relates will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the holders of the relevant Secured Notes as soon as practicable thereafter.

17. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and, in the case of the Secured Notes, under the Security Documents in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one fifth of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No holder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading Italian language daily newspaper published in Italy (which is expected to be *Il Sole-24Ore*), in a leading English language daily newspaper (which is expected to be the *Financial Times*) and, if the Notes are admitted to trading on the Irish Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in the Republic of Ireland or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

- (a) **Governing law:** The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law. Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law.
- (b) **Jurisdiction:** The courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes. Furthermore, the Issuer has in the Trust Deed (i) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (ii) designated a person in England to accept service of any process on its behalf; (iii) consented to the enforcement of any judgment; and (iv) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.
- (c) **Process agent:** The Issuer agrees that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Corporate Services Limited at 6 St Andrew Street, 5th Floor, London EC4A 3AE, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Parts 34 and 37 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

*Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated [date]**

**SIAS S.p.A.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €2,000,000,000  
Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 14 November 2012 [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and either (1) the Notes which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state or (2) the Conditions (as defined in the next paragraph) do not contain, by comparison with the Base Prospectus, any "significant new factor" within the meaning of Article 16.1 of the Prospectus Directive. If neither (1) nor (2) applies the Issuer will need to consider effecting the issue by means of a supplement to the Base Prospectus or a stand alone prospectus rather than by Final Terms.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 14 November 2012. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 14 November 2012 [and the supplemental Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 14 November 2012 [and the supplemental Base Prospectuses dated [•] and [•]. The Base Prospectuses [and the supplemental Base Prospectus] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive].*

1. (i) Series Number: [•]

- [(ii) Tranche Number: [•]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible). [•]
- [(ii) Relevant Material Subsidiar[y/ies] [•] (*Specify name of Material Subsidiar[y/ies]*) (*Applicable solely in the case of Secured Notes – specify the Material Subsidiary or Material Subsidiaries entering into the relevant Intercompany Loan*)
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount: [•]
- [(i) [Series]: [•]
- [(ii) Tranche: [•]]
4. Issue Price: [•] per cent. Of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)
5. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. No notes in definitive form will be issued with a denomination above [•].]
- (*No Notes shall be issued that have a minimum denomination of less than €100,000 or its equivalent in another currency.*)
- (*In relation to any issue of Notes which are "exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to or greater than, €100,000 (or equivalent) and multiples thereof.*)
- (ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
7. Maturity Date: (*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.*)
8. Interest Basis: [• per cent. Fixed Rate]
- [[Euribor]/[Libor]] +/- • per cent. Floating Rate]
- [Zero Coupon]
- (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]
10. Change of Interest or Redemption/Payment Basis: [Applicable]/[Not Applicable]

11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
*[Note: please consider whether a put or call option is applicable and please confirm applicability specifically with the Issuer.]*
12. [(i)] [Date [Board] approval for issuance of Notes] [and Deed[s] of Pledge][and [Board and Material Subsidiar[y/ies]] approval of the Intercompany Loan[s] obtained: [•][registered with the Companies' Registry of [Turin] on [•]] [and [•], respectively]  
*[Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes. In the case of Secured Notes, provide the date of the resolutions approving the relevant Deed(s) of Pledge by the Issuer and the relevant Intercompany Loan(s) by both the Issuer and the relevant Material Subsidiary or Material Subsidiaries]*
- [(ii)] [Secured Note Provisions] [Not Applicable] [Applicable – the Notes are Secured Notes pursuant to Condition 5 and the Conversion mechanism pursuant to Condition 5(d) applies.]  
*(Only relevant in the case of Secured Notes)*  
[on [•]:  
(I) SIAS and [insert name of Material Subsidiary] entered into an interest bearing intercompany loan pursuant to which SIAS will grant [insert name of Material Subsidiary] an intercompany loan of a principal amount of [insert currency] [insert amount] out of the proceeds of the Secured Notes;  
(II) SIAS and [insert name of Material Subsidiary] entered into an interest bearing intercompany loan pursuant to which SIAS will grant [insert name of Material Subsidiary] an intercompany loan of a principal amount of [insert currency] [insert amount] out of the proceeds of the Secured Notes;]  
(III) SIAS executed [insert number] deed[s] of pledge over any and all receivables and monetary claims (*crediti pecuniari*) arising out from the intercompany loan[s] referred to under (I) [and (II)] above in favour of the holders of the Secured Notes and the Trustee in order to secure the complete and timely fulfilment of all its obligations arising under the Secured Notes.]
- [(iii)] [Conversion from Secured Notes to Unsecured Notes] [Applicable/Not Applicable]
- [(iv)] [Step-Up Margin] [[•] per cent. per annum/Not Applicable]  
*[The Step-Up Margin may also apply to Unsecured Notes issued after the Conversion of any Secured Notes as per Condition 5(e).]*

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi annually/quarterly/monthly/ in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]
- (vi) [Determination Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (iii) Specified Interest Payment Dates: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iv) [First Interest Payment Date]: [•]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (vi) Additional Business Centre(s): [Not Applicable/[•]]

- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]
- (ix) Screen Rate Determination:
- Reference Rate: [LIBOR/EURIBOR]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
- (x) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
15. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

**PROVISIONS RELATING TO REDEMPTION**

16. **Call Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]



- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount [•] per Calculation Amount
- (iv) Notice period: [•]
17. **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
- (iii) Notice period: [•]
- (iv) Equity interest of the Issuer in the relevant Material Subsidiar[y/ies]: [Not applicable] / *[To be completed, if any, with the relevant information required under Condition 9(e) (Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event), paragraph (B)(7)(B).]*
18. **Final Redemption Amount of each Note** [•] per Calculation Amount
19. **Early Redemption Amount** [Not Applicable] / [[•] per Calculation Amount]
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: *(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)*

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. **Form of Notes:** **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

*[In relation to any issue of Notes which are "exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to or greater than, €100,000 (or equivalent) and multiples thereof.]*

21. New Global Note: [Yes] [No]
22. Additional Financial Centre(s): [Not Applicable/ [•]]
- Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 13(ii) and 14(vi) relate]*
23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes] / [No]
24. Redenomination, renominatisation and reconventioning provisions: [Not Applicable]
25. Consolidation provisions: [Not Applicable/The provisions [in Condition 19 (*Further Issues*)] apply]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [admission to trading on [*specify relevant regulated market*]] of the Notes described herein] pursuant to the €2,000,000,000 Euro Medium Term Note Programme of SIAS S.p.A.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of SIAS S.p.A.:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Ireland/ None]
- (ii) Admission to trading [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (iii) Estimate of total expenses related to admission to trading [•]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

[Where the relevant credit rating agency is established in the EEA:]

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and [registered]/[has applied for registration although notification of the corresponding registration decision has not yet been provided by the relevant competent authority]/[is neither registered nor has it applied for registration] under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**").*

[Where the relevant credit rating agency is not established in the EEA:]

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA [but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered] / [but is certified] / [and is not certified under nor is the rating it has given to the Notes endorsed by a credit rating agency established in the EEA and registered] under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").*

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer [•]

*(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii) Estimated net proceeds: [•]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii) Estimated total expenses: [•]

*[Include breakdown of expenses]*

5. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

Calculated as on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only – HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Principal Paying Agent(s): [•]

Names and addresses of additional Principal Paying Agent(s) (if any): [•]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

**8. DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: [•]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated: [Not Applicable/*give name*]
  - (a) Name and address of Dealer: [•]
  - (b) Date of subscription agreement: [•]
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category:
  - [TEFRA C]
  - [TEFRA D]
  - [TEFRA not applicable]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with

all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed and/or, in the case of Secured Notes, under the Security Documents, executed by the Issuer). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Notes**

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed. Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

**Exercise of put option:** In order to exercise the option contained in Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

**Notices:** Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Irish Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

**Payment Business Day:** Notwithstanding the definition of “Payment Business Day” in Condition 2(a) (*Interpretation*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, “*Payment Business Day*” means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.



## **USE OF PROCEEDS**

The net proceeds of the issue of each tranche of Unsecured Notes are expected to be applied by the Issuer to meet part of its general financing requirements.

The net proceeds of the issue of each tranche of Secured Notes will be used for Intercompany Loans made by the Issuer to one or more of its Subsidiaries.

## DESCRIPTION OF THE ISSUER

### OVERVIEW

Società Iniziative Autostradali e Servizi S.p.A. ("**SIAS**" or the "**Issuer**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law. Its registered office and principal place of business is at Via Bonzanigo 22, 10144 Turin, Italy and it is registered with the Companies' Register of Turin under number 08381620015, Fiscal Code and VAT Number 08381620015. SIAS may be contacted by telephone on +39 0114392111, by fax on +39 011473 1691 and by e-mail (info@grupposias.it).

Pursuant to its by-laws, SIAS's term of incorporation shall last until 31 December 2100, subject to extension.

The corporate objects of SIAS, as provided by its by-laws, are: (i) the acquisition of holdings in joint stock companies (*società di capitali*); (ii) financial activities in general, excluding leasing of movable and/or immovable assets, factoring, money brokerage, collection services, payment, transfer of funds including by issuing credit cards, and provision of consumer credit, including to its shareholders; (iii) the administration and management of official and unofficial savings certificates, on its own behalf; (iv) the provision of administrative, accounting and technical services in general and commercial and advertising consulting; (v) providing endorsements, sureties and guarantees, including collateral, on behalf of the companies or bodies in which it holds interests; and (vi) buying, selling and managing personal and real property. According to its by-laws, SIAS may also engage in commercial, industrial, investment, real estate and financial transactions that further the achievement of its corporate purpose, excluding only those activities expressly reserved by law to particular categories of parties. SIAS may not engage in financial activities with the public.

At the date of this Base Prospectus, SIAS has a share capital of Euro 113,750,558.50 divided into No. 227,501,117 ordinary shares having a nominal value of Euro 0.50 each. The ordinary shares of SIAS have been listed on the *Mercato Telematico Azionario*, the screen-based market of the Italian Stock Exchange, since 2002. As at the date of this Base Prospectus, SIAS had a market capitalisation of approximately Euro 1,500,000,000.

SIAS is the parent company of the group consisting of SIAS and its consolidated subsidiaries (collectively, the "**Group**"). The Group is composed primarily of companies which hold concessions for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy and abroad and other companies which supply services related to its principal motorway activities.

### HISTORY

SIAS was constituted on 5 February 2002 through a partial and proportional demerger (*scissione parziale e proporzionale*) of Autostrada Torino-Milano S.p.A. ("**ASTM**") which conferred a part of its business activities to SIAS.

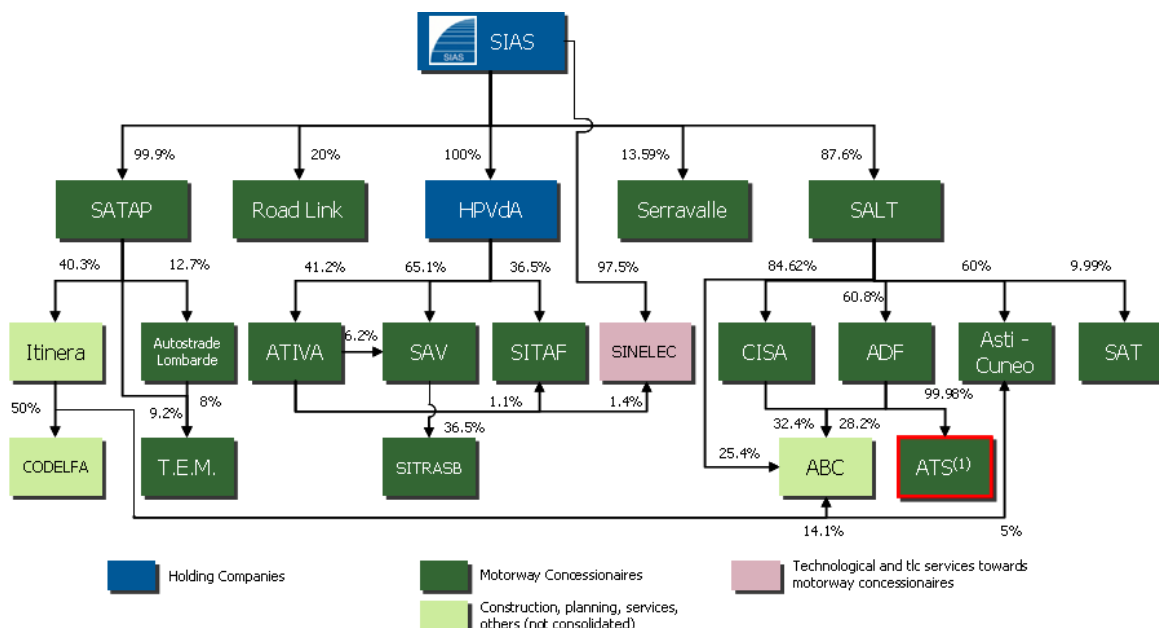
ASTM was established on 28 November 1928 for the construction, operation and maintenance of the motorway linking Turin and Milan. On 30 November 1929, a ministerial convention authorised the construction and operation of such motorway; on 25 October 1932, following a construction period of 30 months, the motorway linking Turin and Milan was inaugurated. On 19 June 1969 ASTM was listed on the Turin Stock Exchange and subsequently on the Milan Stock Exchange on 25 February 1970.

In July 2007, ASTM and SIAS implemented a corporate reorganisation programme in the context of which (i) the majority interests in the motorway subsidiaries originally belonging to ASTM were assigned to SIAS and (ii) the majority interests in the companies operating in the engineering, projecting and infrastructural/maintenance sectors were assigned to ASTM.

As a result of the completion of such corporate reorganisation SIAS is controlled by ASTM pursuant to Article 2359, paragraph 1, No. 1 of the Italian Civil Code.

## SIAS GROUP

The following diagram illustrates the principal subsidiaries of SIAS as at the date of this Base Prospectus.



(1) ATS is expected to become party to the SIAS Group with effect from 15 November 2012 (See “– Recent developments – Acquisition of Autostrada Torino Savona S.p.A.” below).

## STRATEGY

The main strategic objective of the Group is to increase shareholder value while focusing on improving the quality and the range of services offered to its customers. In order to achieve this, the Group's strategy also includes:

- a continuous focus and commitment to efficiency alongside quality of service;
- finalising new investments in accordance with the Concessions (as defined below) in order to, in particular, (i) improve safety and remove bottlenecks on the existing network to enable long term traffic growth and (ii) increase the kilometres of managed motorway network; and
- bidding for domestic green field initiatives with other partners to limit risks.

## BUSINESS OF THE GROUP

The Group operates primarily:

- in the **motorway sector**, principally through the following subsidiaries: Società Autostrada Torino-Alessandria-Piacenza S.p.A., Società Autostrada Ligure Toscana S.p.A., Autocamionale della Cisa S.p.A., Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada Torino-Ivrea-Valle d'Aosta S.p.A., which jointly manage a total of 1,054.4 kilometres (of which 118 kilometres are under construction) of the Italian motorway network. The Group also holds minority interests in operating motorway concessionaires in Italy such as, *inter alia*, Società Italiana per il Traforo Autostradale del Fréjus S.p.A., Società Italiana Traforo del Gran San Bernardo S.p.A., Società Autostrada Broni – Mortara S.p.A., Milano Serravalle Milano Tangenziali S.p.A., Società Autostrada Tirrenica S.p.A. and Autostrade Lombarde S.p.A.;
- in the **technology sector** (including optical fibres, advanced mobility management systems, traffic management software) principally through the subsidiary SINELEC S.p.A.; and

- in the **construction sector** (motorway infrastructure maintenance and expansion services primarily for Group concession operators) principally through ABC Costruzioni S.p.A. and ITINERA S.p.A.

In 2011, the Group's total revenues were Euro 1,014.9 million and its profits for the period were equal to Euro 180.7 million).

The following table provides a breakdown of the Group's revenues by area of activity for the years ended 31 December 2010 and 2011.

|  | Year ended 31 December |                     |                |                     |
|--|------------------------|---------------------|----------------|---------------------|
|  | 2010                   |                     | 2011           |                     |
|  | € in millions          | % of Group revenues | € in millions  | % of Group revenues |
| Gross toll revenues, of which: <sup>1</sup> .....          | 809.0                  | 87.05%              | 895.6          | 88.25%              |
| Net toll revenues .....                                    | 764.0                  | 82.21%              | 819.6          | 80.76%              |
| Fees and surcharges to pay at ANAS .....                   | 45.0                   | 4.84%               | 76.0           | 7.49%               |
| Royalties from service areas <sup>2</sup> .....            | 40.9                   | 4.40%               | 40.6           | 4.00%               |
| Engineering and construction activities <sup>3</sup> ..... | 4.0                    | 0.43%               | 4.4            | 0.43%               |
| Technological activities <sup>4</sup> .....                | 21.7                   | 2.34%               | 24.6           | 2.42%               |
| Other revenues <sup>5</sup> .....                          | 53.7                   | 5.78%               | 49.7           | 4.90%               |
| <b>Total</b> .....   | <b>929.3</b>           | <b>100.00%</b>      | <b>1,014.9</b> | <b>100.00%</b>      |

<sup>1</sup> Law Decree 78/2009, converted into Law 102/2009, has replaced the premium ("sovrapprezzo") with an extra fee ("sovracanone") with effect from 5 August 2009. The method used to calculate the amounts to be paid to ANAS/MIT are unchanged. Therefore, the revenues from motorway tolls are shown inclusive of the extra fee which, being a concession fee, has been classified as "other management costs".

<sup>2</sup> "Royalties from service areas" mainly refers to tolls on the service areas of sub-concessions.

<sup>3</sup> "Construction and engineering activities" refers to the aggregate amount of the production in favour of third parties not belonging to the Group executed by subsidiaries which operate in construction and engineering industry.

<sup>4</sup> "Technological activities" refers to the aggregate amount of the production in favour of third parties not belonging to the Group executed by subsidiaries which operate in technology industry.

<sup>5</sup> "Other revenues" mainly refers to compensations for damages, recovery of expenses, revenues for works executed on behalf of third parties, contributions during the fiscal year and the relevant quota of the revenues due to the discounting of the debt with the Fondo Centrale di Garanzia.

## Motorway Activities

The Group derives the principal part of its revenues from its motorway activities through the collection of tolls in Italy. Revenues attributable to the Group's net toll revenues in Italy accounted for 80.8 per cent. of the Group's revenues in the year ended 31 December 2011 and 82.2 per cent. of the Group's revenues in the year ended 31 December 2010.

Toll revenues are a function of traffic volumes and tariffs charged. Tariff rates applied by the Group's motorway subsidiaries Società Autostrada Torino-Alessandria-Piacenza S.p.A., Società Autostrada Ligure Toscana S.p.A., Autocamionale della Cisa S.p.A., Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A. and Autostrada Torino-Ivrea-Valle d'Aosta S.p.A. (each a "**Motorway Subsidiary**" and, together, the "**Motorway Subsidiaries**") are regulated in accordance with Italian law and the relevant concessions granted in order to carry out the motorway activity in Italy (each, a "**Concession**" and, collectively, the "**Concessions**"). Adjustments of tariff rates for the Group's Concessions are made on an annual basis and determined in accordance with the respective Concession agreements. See "*Description of the Issuer – Regulatory – Regulatory Framework*", below.

Each Concession gives the relevant Motorway Subsidiary the right to finance, construct, operate and maintain networks of motorways in Italy during the term of the relevant Concession. Each Motorway Subsidiary is required by the terms of the relevant Concession to, *inter alia*, make capital investments (such as increasing the number of lanes on a motorway section or upgrading a motorway) pursuant to an approved investment plan.

All of the Concessions held by the Motorway Subsidiaries are set to expire between August 2016 and December 2032 other than the Concession granted to Autostrada Asti-Cuneo S.p.A. which will expire

23.5 years following the completion of the relevant infrastructure (such date was originally expected to fall in 2014 but, at the date of this Base Prospectus, it is expected to be further delayed to 2018).

With effect from 1 October 2012, certain activities and functions falling within the competencies of ANAS S.p.A. – a joint-stock company entirely owed by the Italian Minister of Economy and Finance ("ANAS") entrusted with the management and supervision of the Italian road and motorway system – have been transferred to the Ministry of Infrastructure and Transport ("MIT"). As a consequence, with effect from 1 October 2012, the MIT stepped into the Concessions in force at that date as grantor, resulting in all the rights, powers, obligations arising from the single Concessions (originally entered into with ANAS as grantor) being transferred from ANAS to the MIT. As a result of such reorganisation process, the competencies of ANAS will be substantially limited to the construction and management of road and state motorway infrastructures and will operate as a state in-house company. (For further information on the reorganisation of the motorways' concession system, see "Regulatory – Reorganisation of ANAS and liberalisation of the transport sector " below.)

### **Italian Motorway Activities — General**

As at 31 December 2011, Italian toll and non-toll motorways, including tunnels, bridges and viaducts (the "**Italian Gross Motorway Network**") consisted of 6,675.2 kilometres of motorways, 5,771 kilometres of which are toll motorways operated by motorway concessionaires. The Group manages a total of 1,026 kilometres of the Italian Gross Motorway Network through its Motorway Subsidiaries, while the remaining 5,649 kilometres are partly managed (4,744 kilometres) by other motorway concessionaires and partly (905 kilometres) managed directly by ANAS. (Source: AISCAT – Associazione Italiana Società Concessionarie Autostrade e Trafori).

As a result of an integration project that began in the latter half of the 1980s, the Italian motorway network operated by the subsidiaries of the Group (the "**SIAS Group Italian Network**") is also directly linked to the Italian motorways operated and managed by non-Group motorway concessionaires (including, but not limited to, ANAS).

The table below sets forth a breakdown, by concessionaire, of the toll Italian Gross Motorway Network as at 31 December 2011.

| <b>Motorway Company</b>                                    | <b>Kilometres in operation</b> | <b>% of total under Concession</b> |
|--|--------------------------------|------------------------------------|
| <b>SIAS Group Italian Network, of which:</b>               |                                |                                    |
| SATAP .....  | 298.0                          | 5.2%                               |
| ATIVA .....  | 155.8                          | 2.7%                               |
| SAV .....  | 59.5                           | 1.0%                               |
| SALT .....   | 154.9                          | 2.7%                               |
| Autostrada dei Fiori .....                                 | 113.2                          | 2.0%                               |
| Autocamionale della Cisa .....                             | 101.0                          | 1.8%                               |
| Autostrada Asti-Cuneo .....                                | 37.0                           | 0.6%                               |
| SITAF - A32 .....  | 81.1                           | 1.4%                               |
| SITAF - T4 .....   | 12.9                           | 0.2%                               |
| SITRASB .....  | 12.8                           | 0.2%                               |
| <b>Total SIAS Group Italian Network</b> .....              | <b>1,026.2</b>                 | <b>18.0%</b>                       |
| <b>Altantia Group Network, of which:</b>                   |                                |                                    |
| Autostrade per l'Italia .....                              | 2,854.6                        | 50.1%                              |
| Raccordo Autostradale Valle d'Aosta .....                  | 32.4                           | 0.6%                               |
| Autostrada Torino-Savona <sup>4</sup> .....                | 130.9                          | 2.3%                               |
| Tangenziale di Napoli .....                                | 20.2                           | 0.4%                               |
| Autostrade Meridionali .....                               | 51.6                           | 0.9%                               |
| Traforo del Monte Bianco .....                             | 5.8                            | 0.1%                               |
| <b>Total Atlantia Group Network Other, of which:</b> ..... | <b>3,095.5</b>                 | <b>54.3%</b>                       |
| <b>Other:</b>  |                                |                                    |
| Autostrada del Brennero .....                              | 314.0                          | 5.5%                               |
| Milano Serravalle – Milano Tangenziali .....               | 179.1                          | 3.1%                               |
| Autostrada Brescia – Padova .....                          | 182.5                          | 3.2%                               |
| Concessioni Autostradali Venete .....                      | 74.1                           | 1.3%                               |
| Autovie Venete .....                                       | 193.2                          | 3.4%                               |

<sup>4</sup> ATS is expected to become party to the SIAS Group with effect from 15 November 2012 (See "Recent developments – Acquisition of Autostrada Torino Savona S.p.A." below).

| <b>Motorway Company</b>                              | <b>Kilometres in operation</b> | <b>% of total under Concession</b> |
|--|--------------------------------|------------------------------------|
| Autostrade Centro Padane .....                       | 88.6                           | 1.6%                               |
| Società Autostrade Tirrenica .....                   | 37.6                           | 0.7%                               |
| Strade dei Parchi .....                              | 281.4                          | 4.9%                               |
| Consorzio Autostrade Siciliane .....                 | 298.4                          | 5.2%                               |
| <b>Total other .....</b>                             | <b>1.648.9</b>                 | <b>28.9%</b>                       |
| <b>Total Italian Motorway under Concession .....</b> | <b>5.770.6</b>                 | <b>101.3%</b>                      |
| <b>Total Italian Motorway managed by ANAS .....</b>  | <b>904.6</b>                   |                                    |
| <b>Total Italian Gross Motorway Network .....</b>    | <b>6.675.2</b>                 |                                    |

Source: AISCAT — Associazione Italiana Società Concessionarie Autostrade e Trafori and Group's internal data.

As shown above, the Group is the second concessionaire network in Italy in terms of kilometres of motorways under management, constituting approximately 18 per cent. of the Italian motorway under Concession and 15.5 per cent. of the Italian Gross Motorway Network as at 31 December 2011. The Group operates in the North-West Italian Regions (namely, Piemonte, Valle d'Aosta, Lombardia, Liguria, Toscana and Emilia-Romagna) where the largest number of industries operate, close to relevant international motorway interconnections, such as T1 (Montebianco tunnel) and T4 (Frejus Tunnel).

For a discussion of competition between the Group and third-party toll and State-run motorways as well as with alternative modes of transportation, see "*Description of the Issuer – Competition*", below.

The table below sets forth a list of the toll motorways included in the SIAS Group Italian Network and the length of each of these motorways in operation and under construction as at 31 December 2011.

| <b>Motorway Company</b>  | <b>Stretch</b>                                | <b>Kilometres</b>   |                           |
|--------------------------|---|---------------------|---------------------------|
|                          |   | <b>In operation</b> | <b>Under construction</b> |
| SATAP                    | A4 Turin – Milan .....                        | 130.3               | —                         |
|                          | A21 Turin - Alessandria – Piacenza .....      | 167.7               | —                         |
| ATIVA                    | A5 Turin - Ivrea – Quincinetto .....          | 51.2                | —                         |
|                          | A4/A5 Ivrea- Santhià .....                    | 23.6                | —                         |
|                          | Sistema Tangenziale di Turin .....            | 81.0                | —                         |
| SAV                      | A5 Quincinetto – Aosta .....                  | 59.5                | —                         |
| SALT                     | A12 Sestri Levante – Aosta .....              | 154.9               | —                         |
| Autostrada dei Fiori     | A10 Ventimiglia – Savona .....                | 113.2               | —                         |
| Autocamionale della Cisa | A15 Parma - La Spezia .....                   | 101.0               | 81.0                      |
| Autostrada Asti-Cuneo    | A33 Asti – Cuneo <sup>1</sup> .....           | 37.0                | 53.0                      |
| SITAF                    | A32 Turin – Bardonecchia .....                | 81.1                | —                         |
|                          | T4 Traforo del Fréjus .....                   | 12.9                | —                         |
| SISTRASB                 | T2 Traforo del Gran San Bernardo .....        | 12.8                | —                         |
|                          | <b>Total SIAS Group Italian Network .....</b> | <b>1,026.2</b>      | <b>134.0</b>              |

Source: Group's internal data.

<sup>1</sup> On 20 February 2012 the Sant'Albano – Barriera Castelletto Stura motorway section was completed; consequently as at the date hereof 53 kilometres are open to traffic.

### **Italian Motorway Activities – Material Motorway Subsidiaries**

The Italian motorway activities of the Group are carried out through the following main operating companies, each of which acts as concessionaire of the MIT.

- **Autostrada Torino-Alessandria-Piacenza S.p.A.**

Autostrada Torino-Alessandria-Piacenza S.p.A. ("SATAP") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 29 July 1970. Its registered office is at Via Bonzanigo 22, 10144 Turin, Italy and it is registered with the Companies' Register of Turin under number 00486040017, Fiscal Code and VAT Number 00486040017, SATAP may be contacted by telephone on +39 011 43 92 111 and by fax on +39 011 43 92 218.

Pursuant to its by-laws, SATAP's term of incorporation shall last until 31 December 2040, subject to extension by resolution of the shareholders' meeting.

SATAP is the concessionaire of the MIT for the construction, management and operation of the A21 Turin-Alessandria-Piacenza motorway and for certain other works linking it to the external roadways. The above Concession expires on 30 June 2017.

Furthermore, SATAP is concessionaire of the MIT for the construction, management and operation, until 31 December 2026, of the 130.3 kilometres A4 Turin-Milan motorway and other works linking it to the external roadways.

The following table set forth the revenues of SATAP from the above Concessions for the years ended 31 December 2010 and 2011 (*Source: annual financial statements of SATAP prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy*).

|  | Year ended 31 December |               |               |               |
|--|------------------------|---------------|---------------|---------------|
|  | 2010                   |               | 2011          |               |
|  | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues, of which:.....        | 286.7                  | 90.0%         | 317.5         | 92.1%         |
| A4 Turin – Milan .....                   | 159.0                  | 49.9%         | 178.5         | 51.8%         |
| A21 Turin - Alessandria – Piacenza ..... | 127.7                  | 40.1%         | 139.0         | 40.3%         |
| Royalties from service areas.....        | 17.5                   | 5.5%          | 17.6          | 5.1%          |
| Other revenues .....                     | 14.2                   | 4.5%          | 9.5           | 2.8%          |
| <b>Total .....</b>                       | <b>318.4</b>           | <b>100.0%</b> | <b>344.6</b>  | <b>100.0%</b> |

The financial statements of SATAP are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

- ***Società Autostrada Ligure Toscana p.a.***

Società Autostrada Ligure Toscana p.a. ("**SALT**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 27 May 1961. Its registered office is at Via Don Enrico Tazzoli 9, 55041 Lido di Camaione, Lucca, Italy, and it is registered with the Companies' Register of Lucca under number 00140570466, Fiscal Code and VAT Number 00140570466. SALT may be contacted by telephone on +39 0584 90 91 and by fax on +39 0584 90 93 00.

Pursuant to its by-laws; SALT's term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

SALT is the concessionaire of the MIT for the construction, management and operation of (i) the A12 motorway (from Livorno to Sestri Levante), (ii) the A11 motorway (from Viareggio to Lucca) and (iii) the A15 motorway (from Fornola to La Spezia). The above Concession expires on 31 July 2019.

The following table set forth the revenues of SALT from the above Concession for the years ended 31 December 2010 and 2011 (*Source: annual financial statements of SALT prepared in accordance with applicable law and generally accepted accounting principles in Italy*).

|                                   | Year ended 31 December |               |               |               |
|-----------------------------------|------------------------|---------------|---------------|---------------|
|                                   | 2010                   |               | 2011          |               |
|                                   | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues .....           | 165.4                  | 90.9%         | 169.8         | 92.1%         |
| Royalties from service areas..... | 8.1                    | 4.4%          | 8.0           | 4.3%          |
| Other revenues .....              | 8.5                    | 4.7%          | 6.5           | 3.5%          |
| <b>Total .....</b>                | <b>182.0</b>           | <b>100.0%</b> | <b>184.3</b>  | <b>100.0%</b> |

The financial statements of SALT are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

- **Società Autocamionale della Cisa S.p.A.**

Società Autocamionale della Cisa S.p.A. ("**CISA**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 6 September 1950.

Its registered office is at Via Camboara 26/A, 43010 Ponte Taro (Parma), Italy, and it is registered with the Companies Register of Parma under number 54519, Fiscal Code and VAT Number 00155940349, CISA may be contacted by telephone on +39 0521 61 37 11 and by fax on +39 0521 61 37 31.

Pursuant to its by-laws, CISA's term of incorporation shall last until 31 December 2050, subject to extension by resolution of its shareholders.

CISA is the concessionaire of the MIT for the construction, management and operation of the A15 Parma-La Spezia motorway and for certain other works in order to link it to Mantova. Furthermore, on 22 January 2010 the *Comitato Interministeriale per la Programmazione Economica* ("**CIPE**") – the Italian ministerial body entrusted with the organisation and supervision of economic policy – has approved a plan (the "**piano stralcio**") pursuant to which CISA shall construct the first 15 kilometres' long section (*i.e.* the Parma – Terre Verdiane section) of the motorway linking Parma to the Autostrade del Brennero motorway. The above Concession expires on 31 December 2031.

The following table set forth the revenues of CISA from the above Concession for the years ended 31 December 2010 and 2011 (*Source: annual financial statements of CISA prepared in accordance with applicable law and generally accepted accounting principles in Italy*).

|                                   | Year ended 31 December |                   |                      |                   |
|-----------------------------------|------------------------|-------------------|----------------------|-------------------|
|                                   | 2010                   |                   | 2011                 |                   |
|                                   | <i>€ in millions</i>   | <i>% of total</i> | <i>€ in millions</i> | <i>% of total</i> |
| Net toll revenues .....           | 76.4                   | 86.9%             | 81.3                 | 88.5%             |
| Royalties from service areas..... | 6.6                    | 7.5%              | 6.6                  | 7.2%              |
| Other revenues .....              | 4.9                    | 5.6%              | 4.0                  | 4.4%              |
| <b>Total</b> .....                | <b>87.9</b>            | <b>100.0%</b>     | <b>91.9</b>          | <b>100.0%</b>     |

The financial statements of CISA are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

- **Autostrada dei Fiori S.p.A**

Autostrada dei Fiori S.p.A. ("**ADF**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 30 July 1960. Its registered office is at Via Don Minzoni 5, 17100 Savona, Italy, and it is registered with the Companies' Register of Savona under number 39427, Fiscal Code and VAT Number 00111080099. ADF may be contacted by telephone on +39 0183 70 71 and by fax on +39 0183 29 56 55.

Pursuant to its by-laws, ADF's term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

ADF is the concessionaire of the MIT for the construction, management and operation of the A15 Savona-Ventimiglia-French border motorway and for certain other works linking it to the external roadways.

The above Concession expires on 30 November 2021.



The following table set forth the revenues of ADF from the above Concession for the years ended 31 December 2010 and 2011 (Source: annual financial statements of ADF prepared in accordance with applicable law and generally accepted accounting principles in Italy).

|                                   | Year ended 31 December |               |               |               |
|-----------------------------------|------------------------|---------------|---------------|---------------|
|                                   | 2010                   |               | 2011          |               |
|                                   | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues .....           | 133.6                  | 92.7%         | 138.2         | 92.4%         |
| Royalties from service areas..... | 7.9                    | 5.5%          | 7.8           | 5.2%          |
| Other revenues .....              | 2.6                    | 1.8%          | 3.6           | 2.4%          |
| <b>Total .....</b>                | <b>144.1</b>           | <b>100.0%</b> | <b>149.6</b>  | <b>100.0%</b> |

The financial statements of ADF are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

- **Autostrada Asti-Cuneo S.p.A**

Autostrada Asti-Cuneo S.p.A. ("AT-CN") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 23 March 2006. Its registered office is at Via XX Settembre 98/E, 00187 Rome, Italy, and it is registered with the Companies Register of Rome under number 1125353, Fiscal Code and VAT Number 08904401000. AT-CN may be contacted by telephone on +39 0131 87 92 22 and by fax on +39 0131 87 92 20.

Pursuant to its by-laws, AT-CN's term of incorporation shall last until 31 December 2050, subject to extension by resolution of its shareholders.

AT-CN is the concessionaire of the MIT for the construction, management and operation of the 90 kilometres Autostrada delle Langhe motorway (which includes also both the Massimini-Cuneo and the Asti Est-Marene motorway sections). The above Concession expires after 23.5 years following the date on which the construction works have been completed in full (such date was originally expected to fall in 2014 but, at the date of this Base Prospectus, it is expected to be further delayed to 2018). On 20 February 2012 the 16 kilometre Sant'Albano – Barriera Castelletto Stura motorway section was completed; consequently, as at the date hereof, 53 kilometres are open to traffic.

The following table set forth the revenues of AT-CN from the above Concessions for the years ended 31 December 2010 and 2011 (Source: annual financial statements of AT-CN prepared in accordance with applicable law and generally accepted accounting principles in Italy).

|                                   | Year ended 31 December |               |               |               |
|-----------------------------------|------------------------|---------------|---------------|---------------|
|                                   | 2010                   |               | 2011          |               |
|                                   | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues .....           | 10.8                   | 93.9%         | 10.8          | 96.4%         |
| Royalties from service areas..... | —                      | —             | 0.0           | 0.0%          |
| Other revenues .....              | 0.7                    | 6.1%          | 0.4           | 3.6%          |
| <b>Total .....</b>                | <b>11.5</b>            | <b>100.0%</b> | <b>11.2</b>   | <b>100.0%</b> |

The financial statements of AT-CN are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

- **Autostrada Torino Ivrea Valle d'Aosta S.p.A.**

Autostrada Torino Ivrea Valle d'Aosta S.p.A. ("ATIVA") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 2 August 1954. Its registered office is at Strada della Cebrosa 86, 10156 Turin, and it is registered with the Companies' Register of Turin, Fiscal Code and VAT number 00955370010. ATIVA may be contacted by telephone on +39 011 38 14 100 and by fax on +39 011 38 14 101/102.

Pursuant to its by-laws, ATIVA's term of incorporation shall last until 31 December 2050, subject to extension by resolution of its shareholders.

ATIVA is the concessionaire of the MIT for the construction, management and operation of the A5 Turin-Ivrea-Valle d'Aosta motorway and of the A4/A5 Ivrea-Santhe motorway (which are in aggregate 74.8 kilometres' long), of the 56.7 kilometres Sistema Autostradale Tangenziale Torinese motorway and of the 24.3 kilometres' long motorway between Turin and Pinerolo. The above Concession expires on 31 August 2016.

The following table set forth the revenues of ATIVA from the above Concession for the years ended 31 December 2010 and 2011 (Source: annual financial statements of ATIVA prepared in accordance with applicable law and generally accepted accounting principles in Italy).

|                                   | Year ended 31 December |               |               |               |
|-----------------------------------|------------------------|---------------|---------------|---------------|
|                                   | 2010                   |               | 2011          |               |
|                                   | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues.....            | 106.7                  | 88.6%         | 112.3         | 89.8%         |
| Royalties from service areas..... | 9.9                    | 8.2%          | 9.5           | 7.6%          |
| Other revenues.....               | 3.9                    | 3.2%          | 3.3           | 2.6%          |
| <b>Total.....</b>                 | <b>120.5</b>           | <b>100.0%</b> | <b>125.1</b>  | <b>100.0%</b> |

The financial statements of ATIVA are, in accordance with applicable law and generally accepted accounting principles, consolidated with the proportional method (*metodo proporzionale*) with those of SIAS.

- **Società Autostrade Valdostane S.p.A.**

Società Autostrade Valdostane S.p.A. ("SAV") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 17 November 1962. Its registered office is at Strada Barat 13, 11024 Chatillon (Aosta), Italy, and it is registered with the Companies Register of Aosta under number 29833, Fiscal Code and VAT Number 00040490070. SAV may be contacted by telephone on +39 0166 56 04 11 and by fax on +39 0166 56 39 14.

Pursuant to its by-laws, SAV's term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

SAV is the concessionaire of the MIT for the construction, management and operation of (i) the 59.5 kilometres' long A5 Quincinetto-Aosta Ovest motorway, (ii) the intersection between the A5 motorway and (iii) the freeway in the direction of Gran San Bernardo. The above Concession expires on 31 December 2032.

The following table set forth the revenues of SAV with respect to the above Concession for the years ended 31 December 2010 and 2011 (Source: annual financial statements of SAV prepared in accordance with applicable law and generally accepted accounting principles in Italy).

|                                   | Year ended 31 December |               |               |               |
|-----------------------------------|------------------------|---------------|---------------|---------------|
|                                   | 2010                   |               | 2011          |               |
|                                   | € in millions          | % of total    | € in millions | % of total    |
| Net toll revenues.....            | 47.3                   | 94.6%         | 55.8          | 95.2%         |
| Royalties from service areas..... | 1.0                    | 2.0%          | 1.0           | 1.7%          |
| Other revenues.....               | 1.7                    | 3.4%          | 1.8           | 3.1%          |
| <b>Total.....</b>                 | <b>50.0</b>            | <b>100.0%</b> | <b>58.6</b>   | <b>100.0%</b> |

The financial statements of SAV are, in accordance with applicable law and generally accepted accounting principles, consolidated with the line-by-line method (*metodo integrale*) with those of SIAS.

**Italian Motorway Activities – Other Subsidiaries**

- **Società Italiana per il Traforo Autostradale del Fréjus S.p.A.**

Società Italiana per il Traforo Autostradale del Fréjus S.p.A. ("SITAF") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Fr. S. Giuliano 10059 Susa (Turin).

SITAF is the concessionaire of the 81.1 kilometres' long A32 Motorway between Turin and Bardonecchia and the motorway Fréjus Tunnel (T4) linking the Republic of Italy to the Republic of France. The above Concession expires on 31 December 2050.

The Issuer owns, directly or indirectly, a number of shares equal to approximately 36.9 per cent. of the shares capital of SITAF.

- ***Società Italiana Traforo del Gran San Bernardo***

Società Italiana Traforo del Gran San Bernardo ("**SITRASB**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law in 1957, having its registered office at Via Chambery 51, 11100 Aosta.

SITRASB administers 50 per cent. of the Great St Bernard Tunnel linking the Republic of Italy to Switzerland, plus the highway links leading to the tunnel entrance on the Italian side.

The Issuer owns, directly or indirectly, a number of shares equal to 36.5 per cent. of the share capital of SITRASB.

- ***Società Autostrada Broni – Mortara S.p.A.***

Società Autostrada Broni – Mortara S.p.A. ("**Sabrom**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Via F. Casati 1 A. Milan.

Through a tender offer procedure in 2008, SABROM was awarded by Infrastrutture Lombarde S.p.A. (a joint-stock company entirely owed by the Lombardy Region) with the concession for the definitive planning and final design, construction and management of the regional motorway between Broni, Pavia and Mortara (approximately 50 kilometres).

SABROM's competitor Consorzio Stabile SIS S.c.p.a. ("**Consorzio SIS**") challenged before the Regional Administrative Court (*Tribunale Amministrativo Regionale*) of Lombardy (a first instance court) and then before the Italian Administrative Supreme Court (*Consiglio di Stato*) its exclusion from the tender procedure and the provisional award (*aggiudicazione provvisoria*) of the tender in favour of SABROM. By decision No. 1055 of 18 February 2011, the Italian Administrative Supreme Court (i) rejected the appeal filed against the exclusion measure (*provvedimento di esclusione*) filed by Consorzio SIS and (ii) declared the inadmissibility (*improcedibilità*) of the appeal with regard to the provisional award of the tender in favour of SABROM, because the final award of the tender had already occurred. In April 2011, Consorzio SIS challenged by seeking revocation (*ricorso per revocazione*) of the decision of the Council of State No. 1055/2011 referred to above requesting also the suspension of the effect of the challenged decision. On 15 July 2011, Consorzio SIS waived the request for suspension of the effect of the challenged decision. On 31 March 2012, the Council of State rejected the above *ricorso per revocazione* with No. 1890/2012.

Pending the above suit, the final award (*aggiudicazione definitiva*) of the tender in favour of SABROM occurred and on 16 September 2010 Infrastrutture Lombarde S.p.A. and SABROM entered into the relevant concession agreement.

In addition to the above, Consorzio SIS challenged before the Administrative Court of Lombardy (i) on 23 August 2010 the final award of the tender in favour of SABROM and (ii) on 22 September, through additional grounds, also the relevant concession agreement dated 16 September 2010. Such petition has been rejected by the Regional Administrative Court (*Tribunale Amministrativo Regionale*) of Lombardy. rejected the Then Consorzio SIS appealed the decision of the Regional Administrative Court (*Tribunale Amministrativo Regionale*) of Lombardy before the Italian Administrative Supreme Court; as of the date hereof, the hearing for the discussion of the merit of the case has not been scheduled yet.

SABROM is currently in a start-up phase.

The Issuer owns, directly or indirectly, a number of shares equal to 20 per cent. of the share capital of SABROM.

- ***Milano Serravalle Milano Tangenziali S.p.A.***

Milano Serravalle Milano Tangenziali S.p.A. ("**Milano Serravalle**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Via del Bosco rinnovato 4 A, Assago (Milan).

Milano Serravalle is the concessionaire of (i) the A7 motorway from Milan to Serravalle Scrivia and (ii) the three Milan ring roads (West, East and North) until 2028. Milano Serravalle manages an infrastructural network that serves the Milan and Lombardy area, the cornerstone of one of the main European motorway networks for a total of over 180 kilometres of motorway.

The Issuer owns, directly or indirectly, a number of shares equal to approximately 13.6 per cent. of the share capital of Milano Serravalle.

- ***Società Autostrada Tirrenica p.A.***

Società Autostrada Tirrenica p.A. ("**SAT**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Via Bergamini 50, Rome.

SAT is the concessionary of the A12 motorway from Livorno to Civitavecchia is due to expire in 2028.

The Issuer owns, directly or indirectly, a number of shares equal to approximately 10 per cent. of the share capital of SAT.

- ***Autostrade Lombarde S.p.A.***

Autostrade Lombarde S.p.A. ("**AL**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Largo B. Belotti 16, Bergamo.

AL owns a number of shares equal to 89.65 per cent. of the share capital of Bre.Be.Mi. S.p.A., the company holding the concession for the construction and management of the 62.5 km long motorway linking Brescia, Bergamo and Milan. AL also holds a 8.2 per cent. interest in Tangenziali Esterne di Milano S.p.A. ("**TEM**") in which SATAP already holds approximately a 9.2 per cent. interest. TEM holds, in turn, a majority interest (equal to 57 per cent.) in Tangenziale Esterna S.p.A., the project company in charge of the construction, management and operation of the new external eastern ring road of Milan (*Tangenziale Est esterna*); construction works are expected to be completed by 2015.

- ***Autostrada Torino Savona S.p.A.***

Autostrada Torino Savona S.p.A. ("**ATS**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Corso Trieste 170, Moncalieri (Turin).

ATS is the concessionaire for the management and operation of the motorway stretching approximately 130 kilometres which connects Turin to Savona on the Ligurian coastline. The above concession expires on 31 December 2038.

For further information on the acquisition of ATS by ADF, see "*Recent Developments – Acquisition of Autostrada Torino Savona S.p.A.*", below.

### ***International Motorway Activities***

The Group's principal international motorway activities are described below.

#### ***Motorway activities in United Kingdom – Road Link Holding***

Road Link Holdings Limited holds 100 per cent. of the share capital of Road Link (A69) Limited which, on behalf of the "Secretary for Transport and the Highway Agency" manages the A69 motorway between Newcastle and Carlisle in the United Kingdom. Such concession will expire on 31 March 2026.

#### ***Motorway activities in Chile***

On 30 June 2012, SIAS completed the transfer of its entire interest (equal to 45.765 per cent. of the share capital) in Autostrade Sud America S.r.l. ("**ASA**") – the company holding Grupo Costanera S.A. which

operates in the motorways sector in Chile – to Autostrade per l'Italia S.p.A. for a consideration of Euro 565.2 million recording a capital gain amounting in aggregate to Euro 435 million. Furthermore, the guarantees granted by SIAS (up to approximately Euro 180 million) to secure the indebtedness assumed by Group companies in order to finance the acquisition costs of its motorway activities in Chile have been released and cancelled in full.

As a result of such disposal, SIAS no longer carries out the motorway business in Chile.

## Other information on the Motorway Activities

### Traffic

The table below sets forth traffic volumes (measured by the number of kilometres travelled) on the SIAS Group Italian Network for both light vehicles and heavy vehicles, and the percentage variation from year to year for each of the foregoing categories, for the last ten years up to 31 December 2011 and also sets forth the annual percentage increase/decrease in real Italian gross domestic product ("GDP") during this period.

| As at 31 December                           | Light Vehicles | Annual % Increase / (Decrease) | Heavy Vehicles | Annual % Increase / (Decrease) | Total Vehicles | Annual % Increase / (Decrease) of traffic | Annual % change of GDP in Italy |
|---|----------------|--------------------------------|----------------|--------------------------------|----------------|---|---------------------------------|
| <i>(in % and in millions of kilometres)</i> |                |                                |                |                                |                |   |                                 |
| 2002 .....                                  | 7.528,0        | 3,99%                          | 2.421,4        | 3,08%                          | 9.949,4        | 3,76%                                     | 0,5%                            |
| 2003 .....                                  | 7.798,6        | 3,59%                          | 2.493,7        | 2,98%                          | 10.292,3       | 3,45%                                     | 0,1%                            |
| 2004 .....                                  | 7.813,0        | 0,18%                          | 2.573,3        | 3,19%                          | 10.386,3       | 0,91%                                     | 1,4%                            |
| 2005 .....                                  | 7.842,6        | 0,38%                          | 2.574,4        | 0,04%                          | 10.417,1       | 0,30%                                     | 0,8%                            |
| 2006 .....                                  | 8.311,1        | 5,97%                          | 2.696,2        | 4,73%                          | 11.007,3       | 5,67%                                     | 2,1%                            |
| 2007 .....                                  | 8.510,4        | 2,40%                          | 2.734,7        | 1,43%                          | 11.245,1       | 2,16%                                     | 1,5%                            |
| 2008 .....                                  | 8.477,2        | (0,39%)                        | 2.676,7        | (2,12%)                        | 11.153,9       | (0,81%)                                   | (1,3%)                          |
| 2009 .....                                  | 8.601,5        | 1,47%                          | 2.454,6        | (8,30%)                        | 11.056,1       | (0,88%)                                   | (5,2%)                          |
| 2010 .....                                  | 8.597,7        | (0,04%)                        | 2.555,3        | 4,10%                          | 11.153,0       | 0,88%                                     | 1,3%                            |
| 2011 .....                                  | 8.452,8        | (1,69%)                        | 2.549,4        | (0,23%)                        | 11.002,2       | (1,35%)                                   | 0,4%                            |

Source: Group's internal data and Italian Institute of Statistics ("ISTAT").

The composition of the traffic volumes in the ten-year period 2001-2012 is represented by "light vehicles" for approximately 76 per cent. of the number of kilometres travelled and by "heavy vehicles" for the remaining approximately 24 per cent.

The table below sets forth the traffic performance for each single quarter of 2011 and the comparison with the same period of the previous year.

|   | 2010         |              |               | 2011         |              |               | Change       |              |              |
|---|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
|   | Light        | Heavy        | Total         | Light        | Heavy        | Total         | Light        | Heavy        | Total        |
| <i>(in million of kilometres and in percentage)</i> |              |              |               |              |              |               |              |              |              |
| 1st Quarter .....                                   | 1.835        | 591          | 2.426         | 1.827        | 613          | 2.440         | -0,4%        | 3,7%         | 0,6%         |
| 2nd Quarter .....                                   | 2.252        | 676          | 2.928         | 2.204        | 688          | 2.892         | -2,1%        | 1,8%         | -1,2%        |
| 3rd Quarter .....                                   | 2.565        | 650          | 3.215         | 2.525        | 640          | 3.165         | -1,6%        | -1,5%        | -1,6%        |
| 4th Quarter .....                                   | 1.945        | 638          | 2.583         | 1.897        | 608          | 2.505         | -2,5%        | -4,7%        | -3,0%        |
| <b>Total .....</b>                                  | <b>8.597</b> | <b>2.555</b> | <b>11.152</b> | <b>8.453</b> | <b>2.549</b> | <b>11.002</b> | <b>-1,7%</b> | <b>-0,2%</b> | <b>-1,3%</b> |

Source: Audited Annual Financial Statements of the Issuer as at 31 December 2011.

During the first nine months of 2012, the traffic on the SIAS Group Italian Network registered a decrease of 7.74 per cent. compared with the same period in 2011, with light vehicles down 7.79 per cent. and heavy vehicles down 7.55 per cent. Traffic information of the third quarter of 2012 – showing a slight improvement compared to the trend of the first six months of 2012 (where the traffic on the SIAS Group Italian Network registered a decrease of 8.13 per cent. compared with the same period in 2011, with light vehicles down 8.30 per cent. and heavy vehicles down 7.59 per cent) – confirm the current recession of the macroeconomic situation that characterises Italy and the Eurozone countries.

The table below sets forth traffic volumes on the SIAS Group Italian Network for the years ended 31 December 2010 and 31 December 2011.

| Company                                       | Motorway  | Year ended 31 December |                |                |                |               |               |
|---|---|------------------------|----------------|----------------|----------------|---------------|---------------|
|   |   | 2010                   |                | 2011           |                | Total         |               |
|   |   | Light Vehicles         | Heavy Vehicles | Light Vehicles | Heavy Vehicles | 2010          | 2011          |
| <i>(in millions of kilometres)</i>            |   |                        |                |                |                |               |               |
| SATAP   | A4 Torino-Milano .....  | 1.779                  | 568            | 1.763          | 567            | 2.347         | 2.330         |
| SATAP   | A21 Torino-Alessandria-Piacenza .....   | 1.451                  | 658            | 1.426          | 657            | 2.109         | 2.083         |
| SAV   | A5 Quincinetto-Aosta, Raccordo A5-SS27 del Gran San Bernardo .....                | 314                    | 79             | 303            | 82             | 393           | 385           |
| ATIVA   | A5 Torino-Ivrea-Quincinetto, A4/A5 Ivrea-Santhià, S.A.T.T., Torino-Pinerolo ..... | 1.676                  | 335            | 1.628          | 338            | 2.011         | 1.966         |
| SALT  | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia .....    | 1.620                  | 407            | 1.589          | 398            | 2.027         | 1.987         |
| ADF   | A10 Savona-Ventimiglia-Confini Francese .....                                     | 1.035                  | 280            | 1.021          | 277            | 1.315         | 1.298         |
| CISA  | A15 Parma-La Spezia .....   | 655                    | 205            | 655            | 207            | 860           | 862           |
| AT-CN   | A33 Asti-Cuneo .....  | 67                     | 23             | 68             | 23             | 90            | 91            |
| <b>Total SIAS Group Italian Network .....</b> |   | <b>8.597</b>           | <b>2.555</b>   | <b>8.453</b>   | <b>2.549</b>   | <b>11.152</b> | <b>11.002</b> |

Source: Audited Annual Financial Statements of the Issuer as at 31 December 2011.

The intensity and levels of traffic flows vary across different sections of the SIAS Group Italian Network, depending on a number of factors including both geography and the level of economic activity in which the particular section of motorway is located. The presence of metropolitan areas, for example, has significant effects on the level of traffic flows. The lowest level of traffic flows are generally found on motorways that are not near urban areas.

The table below sets forth the annual average daily traffic recorded in terms of the number of vehicles on the motorways in the SIAS Group Italian Network for the years ended 31 December 2010 and 31 December 2011.

| Company                         | Motorway   | Average Daily Traffic<br>Year ended 31 December |                |                |                |
|---------------------------------|--|---|----------------|----------------|----------------|
|                                 |  | 2010  |                | 2011           |                |
|                                 |  | Light Vehicles                                  | Heavy Vehicles | Light Vehicles | Heavy Vehicles |
| <i>(in numbers of vehicles)</i> |  |   |                |                |                |
| SATAP                           | A4 Torino-Milano .....   | 37.406  | 11.943         | 37.069         | 11.922         |
| SATAP                           | A21 Torino-Alessandria-Piacenza .....  | 23.705  | 10.750         | 23.297         | 10.733         |
| SAV                             | A5 Quincinetto-Aosta, Raccordo A5-SS27 del Gran San Bernardo .....                 | 14.458  | 3.638          | 13.952         | 3.776          |
| ATIVA                           | A5 Torino-Ivrea-Quincinetto, A4/A5 Ivrea-Santheia, S.A.T.T., Torino-Pinerolo ..... | 29.472  | 5.891          | 28.628         | 5.944          |
| SALT                            | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia .....     | 28.653  | 7.199          | 28.105         | 7.039          |
| ADF                             | A10 Savona-Ventimiglia-Confini Francese .....                                      | 25.050  | 6.777          | 24.711         | 6.704          |
| CISA                            | A15 Parma-La Spezia .....  | 17.768  | 5.561          | 17.768         | 5.615          |
| AT-CN                           | A33 Asti-Cuneo .....   | 4.961   | 1.703          | 5.035          | 1.703          |

During peak periods, on a given day or as a result of seasonal factors, traffic can vary significantly from the averages stated above.

### Tariffs

Historically, net toll revenues have constituted the principal source of the Group's revenues, representing approximately 82.2 per cent. and 80.8 per cent. of total revenues during the years ended 31 December 2010 and 2011, respectively. Toll revenues are a function of traffic volumes and tariffs charged. In general, the toll rates applied to the SIAS Group Italian Network are proportionally linked to the distance travelled, the type of vehicle used and the characteristics of the infrastructure (for example, tolls on

mountain motorways, which have greater construction and maintenance costs, are higher than those on level ground motorways). A vehicle classification system is applied to most of the motorways in the SIAS Group Italian Network for the purpose of determining toll rates.

The following table sets forth the SIAS Group Italian Network's net toll revenue broken down by Motorway Subsidiary for the years ended 31 December 2010 and 31 December 2011.

| Company                | Motorway   | Year ended 31 December |              |
|------------------------|--|------------------------|--------------|
|                        |  | 2010                   | 2011         |
| <i>(€ in millions)</i> |  |                        |              |
| SATAP                  | A4 Turin-Milan .....   | 159.0                  | 178.5        |
|                        | A21 Turin-Alessandria-Piacenza .....   | 127.7                  | 139.0        |
| SAV                    | A5 Quincinetto-Aosta, Racc. A5-SS27 del G. S. Bernardo .....                   | 47.3                   | 55.8         |
| ATIVA                  | A5 Turin-Quincinetto, A4/A5 Ivrea-Santheta, S.A.T.T. ....                      | 43.8                   | 46.2         |
| SALT                   | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia ..... | 165.4                  | 169.8        |
| ADF                    | A10 Savona-Ventimiglia .....   | 133.6                  | 138.2        |
| CISA                   | A15 Parma-La Spezia .....  | 76.4                   | 81.3         |
| AT-CN                  | A33 Asti-Cuneo .....   | 10.8                   | 10.8         |
|                        | <b>Total</b> .....   | <b>764.0</b>           | <b>819.6</b> |

Toll collections collected by the concessionaires are subject to a surcharge that is remitted to the MIT and the Ministry of Economics and Finance (the "**Surcharge**"). The Surcharge was set in the 2008 "budget law" with a charge per kilometre for cars of Euro 0.020 in 2007, Euro 0.025 in 2008, Euro 0.030 in 2009 and in the first semester of 2010, Euro 0.040 in the second semester of 2010 and Euro 0.060 in 2011, and a charge per kilometre for trucks of Euro 0.060 in 2007, Euro 0.075 in 2008, Euro 0.090 in 2009 and in the first semester of 2010, Euro 0.012 in the second semester of 2010 and Euro 0.018 in 2011. At the date of this Base Prospectus, all tolls charged on the SIAS Group Italian Network are additionally subject to 21 per cent. value-added-tax ("**VAT**").

The following table sets forth tariffs (excluding VAT and Surcharges) charged by each Motorway Subsidiary indicated below in the relevant vehicle classes from 1 January 2011.

| Tariff by Vehicle Class |   |                |                |         |         |         |
|-------------------------|---|----------------|----------------|---------|---------|---------|
| charged from 1/1/2012   |   |                |                |         |         |         |
| Company                 | Motorway  | Light Vehicles | Heavy Vehicles |         |         |         |
|                         |   | A              | B              | 3       | 4       | 5       |
| <i>(€/Kilometres)</i>   |   |                |                |         |         |         |
| SATAP                   | A4 Turin – Novara Est.....  | 0.06918        | 0.07096        | 0.08157 | 0.13481 | 0.16315 |
|                         | A4 Novara Est – Milan .....   | 0.07109        | 0.07290        | 0.08383 | 0.13854 | 0.16765 |
|                         | A21 Turin – Alessandria – Piacenza<br>(Level Ground) .....  | 0.05619        | 0.05765        | 0.06628 | 0.10954 | 0.13261 |
|                         | A21 Turin – Alessandria – Piacenza<br>(Mountain) .....  | 0.06744        | 0.06920        | 0.07955 | 0.13143 | 0.15913 |
| SAV                     | A5 Quincinetto — Aosta, Raccordo<br>A5 - SS27 del Gran San Bernardo .....                           | 0.13853        | 0.14206        | 0.18464 | 0.29831 | 0.34806 |
| ATIVA                   | A5 Turin-Ivrea-Quincinetto, A4/A5<br>Ivrea-Santheta, S.A.T.T., Turin-Pinerolo                       | 0.05530        | 0.05670        | 0.07370 | 0.11908 | 0.13892 |
| SALT                    | A12 Livorno-Sestri Levante, A11<br>Viareggio-Lucca, A15 Fornarola-La<br>Spezia (Level Ground) ..... | 0.06636        | 0.06806        | 0.08847 | 0.14290 | 0.16673 |
|                         | A12 Livorno-Sestri Levante, A11<br>Viareggio-Lucca, A15 Fornarola-La<br>Spezia (Mountain) .....     | 0.09953        | 0.10209        | 0.13270 | 0.21437 | 0.25008 |
| ADF                     | A10 Savona-Ventimiglia-Confine<br>Francese.....   | 0.09044        | 0.10666        | 0.16693 | 0.22260 | 0.25969 |
| CISA                    | A15 Parma-La Spezia .....   | 0.08376        | 0.08594        | 0.11170 | 0.18042 | 0.21050 |
| AT-CN                   | A33 Asti-Cuneo .....  | 0.09043        | 0.11401        | 0.17845 | 0.23792 | 0.27761 |

The following table shows the increase in tariffs applied by each Motorway Subsidiary on 1 January 2012 in respect of the latest applied tariffs.

| Company | Motorway Subsidiary/Motorway section  | Tariff increase from |
|---------|---|----------------------|
|         |   | 01/01/2012           |
| SATAP   | A4 Torino-Novara Est .....  | 6,32%                |
| SATAP   | A4 Novara Est-Milano.....   | 6,80%                |
| SATAP   | A21 Torino-Alessandria-Piacenza (Level Ground) .....  | 9,70%                |
| SATAP   | A21 Torino-Alessandria-Piacenza (Mountain) .....  | 9,70%                |
| SAV     | A5 Quincinetto-Aosta.....   | 11,75%               |
| SAV     | Raccordo A5-SS27 del Gran San Bernardo .....  | 11,75%               |
| ATIVA   | A5 Torino-Ivrea-Quincinetto, A4/A5 Ivrea-Santhià, S.A.T.T., Torino-Pinerolo.....              | 6,66%                |
| SALT    | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Level Ground) ..... | 5,68%                |
| SALT    | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Mountain) .....     | 5,68%                |
| ADF     | A10 Savona-Ventimiglia-Confine Francese .....   | 5,22%                |
| CISA    | A15 Parma-La Spezia.....  | 8,17%                |
| AT-CN   | A33 Asti-Cuneo.....   | 0,00%                |

Source: Italian Inter-ministerial Decrees (Decreti Interministeriali).

### Toll Collection

The Group is increasing the introduction of automated payment points of the SIAS Group Italian Network in order to shorten payment and waiting times at toll stations and thereby increase traffic flows, as well as to reduce the number of personnel required for toll collection. Each toll station is currently equipped for both automated and manual payment.

Users of the SIAS Group Italian Network are permitted to choose between a wide range of automated payment systems, including:

- "Telepass" system, a technology by which an on board piece of equipment rented by motorway users communicates via radio signals to Telepass toll booths, allowing non-stop transit and toll collection which is tied to an account holder's current account or to a co-branded credit card;
- "Viacard" payments, which permit users to charge tolls either through (i) the "Prepaid Viacard" system, whereby users purchase Viacards that contain varying amounts of prepaid credits for the payment of tolls, or (ii) the "Current Account Viacard" or "Viacard Plus", both of which are deferred payment systems in which account holders' current accounts are directly debited on a periodic basis for payment by the account holder for tolls and other services provided in the service areas;
- "Fast Pay", which permits toll charges to be debited from personal banking cards;
- credit card payments, which have been accepted on the entire SIAS Group Italian Network since 1998; and
- note and coin machines, which accept automated cash toll payments without an attendant.

The Group remotely manages its automated toll booths by providing motorway users with the ability to call for assistance at a toll booth and by using computer systems designed to monitor the functioning of automated toll collection equipment.

The table below sets forth the number and proportion (expressed as percentages) of transits on the SIAS Group Italian Network categorised by payment method for the years ended 31 December 2010 and 31 December 2011.

| Motorway  | Year ended 31 December                  |       |       |       |
|---|---|-------|-------|-------|
|   | 2010                                    |       | 2011  |       |
|   | <i>(in millions, except percentage)</i> |       |       |       |
| <i>Automated non cash and cash payment methods, of which:</i> |   |       |       |       |
| Telepass .....  | 174.3                                   | 58.6% | 173.8 | 59.4% |
| Viacard.....  | 16.0                                    | 5.4%  | 15.6  | 5.3%  |



| <b>Motorway</b>   | <b>Year ended 31 December</b>           |               |               |               |
|---|---|---------------|---------------|---------------|
|   | <b>2010</b>                             |               | <b>2011</b>   |               |
|   | <i>(in millions, except percentage)</i> |               |               |               |
| Credit Card.....  | 21.5                                    | 7.2%          | 22.1          | 7.6%          |
| <b>Total automated non cash and cash payment method</b> ..... | <b>211.8</b>                            | <b>71.2%</b>  | <b>211.5</b>  | <b>72.30%</b> |
| Cash manually .....   | 84.0                                    | 28.2%         | 79.3          | 27.1%         |
| Other .....   | 1.6                                     | 0.6%          | 1.6           | 0.6%          |
| <b>Total</b> .....  | <b>297.4</b>                            | <b>100.0%</b> | <b>292.40</b> | <b>100.0%</b> |

### **Motorway Police**

The Group's motorway management responsibilities include user assistance which it provides through various agreements with the Italian Ministry of Internal Affairs, whereby the Italian national motorway police monitor the SIAS Group Italian Network 24 hours a day and organise emergency assistance in response to any disruption to traffic flows. These agreements also provide that the relevant Motorway Subsidiary is responsible for paying the expenses of the police incurred in connection with the provision of traffic assistance services and providing infrastructure, such as police barracks near the SIAS Group Italian Network, and police vehicles. A force of auxiliary traffic personnel also assists the police in monitoring the SIAS Group Italian Network, including monitoring traffic, preventing traffic congestion, managing accident scenes where no injuries have occurred and generally supporting motorway police in their activities

### **Traffic Assistance**

In order to facilitate monitoring activities and assistance and to ensure prompt intervention when necessary, the Motorway Subsidiaries use radio equipment to link their motorway operations centres to remote traffic, weather and toll collection monitoring units as well as distress call points for motorway users. Distress call points are located at intervals (approximately one to two kilometres) along the SIAS Group Italian Network.

### **Motorway Capital Expenditure**

The Group's capital expenditures primarily relate to its Italian motorway activities, specifically costs for upgrading the SIAS Group Italian Network. The following table provides a breakdown of such capital expenditure for each of the Motorway Subsidiaries for the years ended 31 December 2010 and 31 December 2011.

| <b>Concession Holder</b> | <b>Year ended 31 December</b> |              |
|--------------------------|-------------------------------|--------------|
|                          | <b>2010</b>                   | <b>2011</b>  |
|                          | <i>(€ in millions)</i>        |              |
| SATAP.....               | 92.4                          | 71.8         |
| ATIVA <sup>1</sup> ..... | 10.0                          | 6.8          |
| CISA .....               | 16.7                          | 29.1         |
| AT-CN .....              | 104.1                         | 116.2        |
| ADF .....                | 4.6                           | 15.9         |
| SALT .....               | 23.6                          | 31.9         |
| SAV .....                | 7.9                           | 9.4          |
| <b>Total</b> .....       | <b>259.3</b>                  | <b>281.1</b> |

<sup>1</sup> Pro quota amount of the whole investments made by ATIVA. considering that the financial statements of ATIVA are, in accordance with applicable law and generally accepted accounting principles, consolidated under the proportional method (metodo proporzionale) with those of SIAS.

## Works

According to the current financial plans of the Motorway Subsidiaries, the investment plan of the Group for the period from October 2012 to December 2017 is equivalent in aggregate to approximately Euro 2.2 billion (up to approximately Euro 0.06 billion of such aggregate amount will be subsidised by the relevant grantor).

| Subsidiary        | Q4<br>2012  | 2013        | 2014        | 2015        | 2016        | 2017        | Total       |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SATAP A4.....     | 0,03        | 0,21        | 0,18        | 0,10        | —           | —           | 0,53        |
| SATAP A21.....    | 0,00        | 0,01        | 0,02        | 0,01        | 0,02        | —           | 0,07        |
| SALT.....         | 0,01        | 0,05        | 0,06        | 0,04        | 0,04        | 0,09        | 0,29        |
| ADF.....          | 0,01        | 0,04        | 0,03        | 0,02        | —           | —           | 0,09        |
| CISA.....         | 0,01        | 0,04        | 0,13        | 0,15        | 0,10        | 0,08        | 0,51        |
| SAV.....          | 0,00        | 0,01        | 0,01        | —           | —           | —           | 0,02        |
| AT-CN.....        | 0,01        | 0,15        | 0,19        | 0,21        | 0,04        | —           | 0,60        |
| ATIVA.....        | 0,01        | 0,03        | 0,01        | —           | —           | —           | 0,05        |
| <b>Total.....</b> | <b>0,09</b> | <b>0,54</b> | <b>0,64</b> | <b>0,53</b> | <b>0,20</b> | <b>0,17</b> | <b>2,18</b> |

The main projects to be implemented by each of the Motorway Subsidiaries pursuant to the above mentioned financial plans are summarised below.

| Motorway<br>Subsidiary | Main projects  |
|------------------------|--|
| SATAP A4               | <ul style="list-style-type: none"> <li>Modernisation of the Turin – Milan motorway.</li> </ul> <p>Such works mainly concern the completion of the modernisation of the Turin – Milan motorway (i.e. extension of the relevant lanes and/or construction of new additional lanes and the substitution of the central traffic divider).</p>  |
| SATAP A21              | <ul style="list-style-type: none"> <li>Extension of motorway in the section between Santena and Villanova d'Asti, including the construction of an additional lane;</li> <li>Improvement of the motorway and environmental safety. Such works mainly concern the installation of systems for the simultaneous monitoring of the motorway traffic;</li> <li>Accomplishment of structural interventions.</li> </ul>  |
| ATIVA                  | <ul style="list-style-type: none"> <li>Construction of the first plan (the "<b>stralcio esecutivo</b>") of the "Nodo Idraulico di Ivrea". The construction and implementation of safety measures in order to protect the Turin-Quincinetto and Ivrea-Santheta motorway sections from the risk of hooding;</li> <li>Improvement of motorway and environmental safety, including (i) repair of the central traffic divider and the lateral motorway protections, (ii) installation of noise-abating barriers to mitigate noise pollution and (iii) construction and installation of protection measures in the tunnels.</li> </ul> |
| SAV                    | <ul style="list-style-type: none"> <li>Improvement of motorway and environmental safety, environmental protection and motorway viability;</li> <li>Replacement of the safety barriers and other structural intervention;</li> <li>Installation of noise reduction barriers;</li> <li>Works related to the safety in the tunnels.</li> </ul>  |
| CISA                   | <ul style="list-style-type: none"> <li>Construction of the first section (lotto funzionale) between Parma and Terre Verdiane (of approximately 15 kilometres, including the relevant junctions) of the motorway interconnection with the Brennero motorway.</li> </ul>   |

| <b>Motorway<br/>Subsidiary</b> | <b>Main projects</b>   |
|--------------------------------|--|
| SALT                           | <ul style="list-style-type: none"> <li>• Completion of the works planned by the previous convention dated October 1999, including the construction of a new additional lane in the S. Stefano Magra-Viareggio motorway section, the realisation of further tolls houses and the installation of noise-abating barriers to mitigate the noise pollution;</li> <li>• Works related to noise reduction;</li> <li>• Installation of new generation safety barriers;</li> <li>• Intervention to extend the emergency lay-by;</li> <li>• Improvements of the technological system for safety, management and information;</li> <li>• Non-recurring maintenance including the substitution of the lighting installations of certain tunnels and the implementation of earthquake prevention measures along the motorway viaducts;</li> <li>• Adjustment intervention in the tunnel "Monte Quiesa" (i.e. implementation of works and measures to render the above tunnel compliant with the EU regulation);</li> <li>• Intervention to improve the motorway viability;</li> <li>• Intervention related to the interconnection between A12 and A15;</li> <li>• Construction of a new service area.</li> </ul> |
| ADF                            | <ul style="list-style-type: none"> <li>• Construction of service area, parking area and emergency lay-by;</li> <li>• Intervention for noise reduction (installation of noise reduction barriers);</li> <li>• Structural intervention to repair the viaducts in accordance with the relevant earthquake prevention law;</li> <li>• Improvements of the technological systems for safety, management and information;</li> <li>• Extension of the barriers of the tollgate area of Andora, Finale Ligure, Imperia Ovest, Sanremo Ovest, Spotorno and Arma di Taggia.</li> <li>• Intervention on the tunnels (i.e. implementation of works and measures to render such tunnels in compliance with the EU regulation);</li> <li>• Intervention of non-recurring maintenance to increase motorway safety standards.</li> </ul>  |
| AT-CN                          | <ul style="list-style-type: none"> <li>• Completion of the Asti – Cuneo motorway.</li> </ul>   |

#### **Maintenance Costs**

The Group's maintenance activities are focused on maintaining adequate levels of safety and the proper functioning of the motorways, paving surfaces, bridges, tunnels, viaducts and drainage systems while complying with current and expected environmental laws. The Group believes that monitoring of its motorways is important in order to adequately maintain its infrastructure.

The following table illustrates Group maintenance expenditures for maintenance costs for each of the years ended 31 December 2010 and 31 December 2011.

| <b>Maintenance costs for:</b>           | <b>Year ended 31 December</b> |              |
|---|-------------------------------|--------------|
|   | <b>2010</b>                   | <b>2011</b>  |
|   | <i>(€ in millions)</i>        |              |
| Pavings .....                           | 29.4                          | 27.6         |
| Bridges, viaducts and other works ..... | 15.6                          | 14.8         |
| Tunnels .....                           | 4.5                           | 5.0          |
| Other motorway components .....         | 6.4                           | 8.6          |
| Safety .....                            | 25.5                          | 24.6         |
| Tools collecting system .....           | 19.0                          | 20.3         |
| Cleaning .....                          | 18.8                          | 20.4         |
| Winter operations .....                 | 19.4                          | 11.8         |
| Buildings .....                         | 4.5                           | 5.6          |
| Others .....                            | 12.0                          | 12.2         |
| <b>Total .....</b>                      | <b>155.1</b>                  | <b>151.0</b> |

*Source: Analytic account schedules (Schede analitiche di contabilità) delivered to ANAS/MIT by each Concessionaire.*

Maintenance activities include the cleaning of ditches, landscaping, lawn mowing, general cleaning projects and the reconstruction of road signs, as well as minor repairs of structures such as crash barriers that have been damaged by accidents. Also included in recurring maintenance activities is the maintenance of the buildings located on the SIAS Group Italian Network, including those structures located at exit junctions, and treatment of the roads to counter ice and snow and other adverse weather conditions.

### **Other Business Activities**

In recent years the Group has developed ancillary businesses to service its core toll motorway business.

#### **Service Areas**

Currently, there are 71 service areas on the SIAS Group Italian Network. All service areas include full-service petrol stations and most include self-service minimarkets and food and beverages points. Some service areas include additional accessory services such as motels repair garages shops and information services.

The Group does not directly manage any of the service areas but instead grants subcontracts (each a "**Subcontract**" and jointly the "**Subcontracts**") to third parties (the "**Subcontractors**") for the management of various services in the service areas. Generally the Subcontracts grant to each Subcontractor the right to perform one or more services in one or more service areas. Pursuant to the Subcontracts, the Subcontractor is typically required to build the structures necessary to provide the service and, subsequently, to manage and maintain those services either directly or through management contracts with third parties. Upon the expiration of a Subcontract, the land on which the service area is located and the buildings and infrastructures built by the Subcontractor must in instances where the Group owns the land be returned to the Group in a good state and condition with no compensation to the Subcontractor. In relation to service areas built on land owned by Subcontractors, upon the expiration of the Subcontract, the right of access to the motorway shall be subject to renegotiation. Under a Subcontract, the Subcontractor typically undertakes to pay to the relevant motorway subsidiary a percentage of the revenues in the form of a royalty generated from sales for both restaurants/shops and petrol services, based upon a relevant fixed component. The Group monitors the quality of the services offered by the Subcontractors at the service areas through periodic inspections of such areas.

Upon the expiration of a Subcontract, a new Subcontract may be granted only upon competitive bidding procedures. The expiry date of the Subcontracts differs by each Motorway Subsidiary.

The table below sets forth the total consolidated income from service areas at the Group derived from royalty payments from the Subcontractors, divided into major product and service lines, for the years ended 31 December 2010 and 2011.

|   | Year ended 31 December |             |
|---|------------------------|-------------|
|   | 2010                   | 2011        |
|   | (€ in millions)        |             |
| SIAS Group royalties, of which:             |                        |             |
| Petrol sales and car services .....         | 19.6                   | 18.7        |
| Food and beverages and sales of goods ..... | 19.2                   | 20.2        |
| Other royalties .....                       | 2.1                    | 1.7         |
| <b>Total</b> .....                          | <b>40.9</b>            | <b>40.6</b> |

Source: Analytic account schedules (Schede analitiche di contabilità) delivered to ANAS/MIT by each Concessionaire.

At the end of 2011 the largest petrol station Subcontractor of the Group was ENI S.p.A. and the second largest petrol station Subcontractor was Total Italia S.p.A.

In 2011, the largest food, beverage and retail Subcontractor of the Group was Autogrill S.p.A. The second largest food beverage and retail Subcontractor is Maglione S.r.l. (a member of Sarni Group).

### **Technology sector**

SINELEC S.p.A. ("**SINELEC**"), a company resulting from the merger by way of incorporation of SINELEC in Sistemi e Servizi per Autostrade e Trasporti S.p.A. in 2008 (which was then renamed SINELEC), is active in the field of technological services both on behalf of the motorway concessionaires of the Group and on behalf of third party companies.

SINELEC operates in the following business areas: (i) motorway equipment (the "**Equipment Business**"), (ii) motorway information systems (the "**Information Systems Business**") and (iii) European motorway projects (the "**EU Projects Business**").

Through its Equipment Business, SINELEC is involved in the planning, installation, maintenance and technological adjustment of the collecting tools systems (both software and hardware), technological systems to manage motorway mobility (special equipments including, *inter alia*, equipment for traffic monitoring, equipment for weather reporting, operation headquarters, road services and automatic accident monitoring), electrical and lighting systems of tunnels.

Through its Information Systems Business, SINELEC is involved in the planning, installation and maintenance of software controlling all the technological motorway equipment, as well as in the monitoring and communication of traffic information. The above business also includes activities related to software of data processing for operative, technical and administrative purposes (including, *inter alia*, transit recording, non-payment of tools, management of accidents, disaster recovery. Telepass recording, internet connectivity, data processing for personnel department).

Through its EU Projects Business, SINELEC participates in European projects and initiatives relating to the application of new technologies to the motorway mobility (*i.e.* GPS (Global Positioning System) position tracking and special transports optimization).

SIAS currently holds, directly and indirectly, a 98.1 per cent. interest in SINELEC.

### **Construction sector**

ABC COSTRUZIONI S.p.A. ("**ABC**"), a company established in 1935 with the denomination of Società Anonima Bresciana A.B.C. (than renamed ABC) is active in the construction of motorway and maintenance services on behalf of the following motorway concessionaires belonging to the Group: SALT (being the controlling company of ABC), CISA and ADF (both having a minority interest in ABC).

ABC's core business includes services related to (i) the ordinary repairs of motorway infrastructure, such as the reconstruction of tarmac, viaduct repairs, maintenance of road markings and road signs, pursuant to

long-term contracts, and (ii) the execution of specific maintenance services, such as maintenance of the green area of motorways, cleaning of canals, drains, manholes and maintenance of sanitary fixtures and headquarters, repair of damage due to car accidents, tunnel painting, typically pursuant to one-year contracts.

ABC also operates on the basis of specific mandates from time to time given to it in relation to, *inter alia*: (a) extraordinary repairs of motorway infrastructure, such as restoration, corrections, reinforcement and stabilisation of tunnels and viaducts, (b) constructions of new interconnections and subsidiary road systems and (c) supplying and installation of safety barriers.

ITINERA S.p.A. ("**ITINERA**"), a company established in 1938, operates in the construction sector and its main activities are the construction and the maintenance of road, motorway and railway infrastructure, building works and works for the construction of tunnels and underground railways. ITINERA is allowed to perform works of unlimited value.

ITINERA operates mainly in the Republic of Italy, although has implemented several construction activities in France, Germany, Hungary, Slovenia and Saudi Arabian.

## **EMPLOYEES**

As at 31 December 2011 the Group had 2,304 employees.

The Group, with the exception of ABC and SINELEC (which are regulated by the Italian collective agreement for builders and metal mechanics sector workers) and the non-Italian incorporated companies, is subject to an industry-wide collective bargaining agreement covering motorway concessionaires which has been in effect since 1962.

## **COMPETITION**

The Group faces limited competition from third-party concessionaires and State-run motorways as well as competition from alternative forms of transportation. The Group believes that competition from toll motorways operated by third-party concessionaires, such as Autostrade per l'Italia S.p.A., and State-run motorways is limited as these motorways usually serve different locations to those in the SIAS Group Italian Network.

The Group regards rail and air travel as the principal alternative modes of transportation to motorways.

However, the Issuer believes that these alternative modes of transportation provide competition primarily for long distance travel point to point or the transportation of goods for distances greater than 400 kilometres.

In the short term, the Group believes that it is unlikely that other forms of transportation will be able to take significant shares of the Italian transportation market from road transportation. The ongoing expansion of a high speed rail network in Italy has resulted in increased competition for both goods and passengers, but this increased competition has been concentrated on long distance transportation, which represents only a limited percentage of the revenue of the Group.

The Group may also face increased competition in its efforts to obtain new concessions. This is due to recent European Union legislation which requires all awards of motorway concessions (including renewals of old concessions) to be granted pursuant to an open bid process on a European-wide basis.

## **INSURANCE**

The Group maintains various insurance policies as protection against certain risks associated with operating and maintaining the SIAS Group Italian Network and associated infrastructure as well as in relation to the activities of its subsidiaries.

In addition, all construction companies hired by the Group are required by Italian law to have in place specific all risks insurance coverage, employee insurance and liability insurance covering all damages arising from the given project.

The Group's policies, however, do not cover industrial action and the Group does not carry business interruption insurance to cover operating losses it may experience, such as reduced toll revenues, resulting from work stoppages, strikes or similar industrial action. In addition, the Group carries only limited risk and business interruption insurance to cover damages or operating losses resulting from terrorist acts.

## LEGAL PROCEEDINGS

As part of the ordinary course of business, companies within the Group are subject to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Group's network. As at 31 December 2012, SIAS had a provision in its consolidated financial statement for legal proceedings; at the date of this Base Prospectus, there is nothing to suggest that such provision is inadequate. Notwithstanding the foregoing, SIAS believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or the Group's business, financial condition or prospects.

### *Litigation with ANAS*

By entering into the relevant Concession agreement, each of the Motorway Subsidiaries has expressly waived any pending litigation *vis-à-vis* ANAS (now the MIT), with effect from the date on which the relevant Concession becomes effective, save for the litigation involving the subsidiary Finanziaria di Partecipazioni ed Investimenti S.p.A. (previously named Autostrade dei Parchi S.p.A.).

Pursuant to an arbitral award given on 20 July 2005, Autostrade dei Parchi S.p.A. (as it is previous known) is entitled to receive from ANAS an indemnity of Euro 23.5 million; as a consequence of such arbitrator's award, the above mentioned indemnity amount was registered as a credit in the 2005 accounts of the Group. On 13 October 2006, ANAS challenged the award before the Court of Appeal of Rome and requested such Court to declare it null and void: the litigation is still pending with the next hearing scheduled to be held on 23 April 2013. Despite the complexity of this dispute and the inevitable uncertainty about the final outcome of the Court of Appeal, at the date of this Base Prospectus there are no elements to suggest that the challenge referred above will be upheld.

## MATERIAL CONTRACTS

### *Financing – Issue of notes*

- SIAS is the issuer and primary obligor under the "SIAS 2.625% 2005-2017 Bond Convertible into Ordinary Shares" (ISIN Code: IT0003872394) (the "**Convertible Bond**") issued on 8 July 2005.

Upon request of the Issuer on 22 March 2010 the meeting of the holders of the Convertible Bond passed a resolution confirming that the issue of any Secured Notes under the Programme will not constitute a breach of the negative pledge undertaking set forth in the terms and conditions of the Convertible Bond.

- SIAS is the issuer and primary obligor under the "Euro 500,000,000 4.5 per cent. Senior Secured Notes due October 2020" (ISIN Code: XS0552569005) issued in October 2010 under this Programme originally established in October 2010 (the "**2010 Secured Notes**") to fund SALT and SATAP. The 2010 Secured Notes are currently listed on the Irish Stock Exchange. The holders of the 2010 Secured Notes (acting through the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2010 Secured Notes.

### *Financing – Financing agreements*

- In May 2011, SIAS entered into separate loan agreements for a total amount of up to Euro 500,000,000 to fund, through intercompany loans, the investments of SATAP, SALT, ATIVA, ADF and SAV. In particular: (i) facilities up to an aggregate amount of Euro 300,000,000 were granted by Mediobanca Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), UniCredit S.p.A. ("**UniCredit**") and CentroBanca Banca di Credito Finanziario e Mobiliare S.p.A. ("**Centrobanca**"), acting as intermediaries with regard to the funds made available by the European Investment Bank (the "**EIB**"), and (ii) further facilities up to an aggregate amount of

Euro 200,000,000 made available to the Issuer directly by the EIB and guaranteed by SACE S.p.A. ("**SACE**"). The facilities under (i) and (ii) above are amortising facilities providing for maximum final repayment date in December 2024. The fulfillment of the payment obligations of SIAS *vis-à-vis* the financial institutions named under (i) and (ii) above are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP, SALT, ATIVA, ADF and SAV. Mediobanca (in its capacity as lender), UniCredit, Centrobanca, EIB and SACE acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 24 May 2011.

- In July 2011, SIAS and Barclays Bank PLC ("**Barclays**") entered into a loan agreement pursuant to which Barclays has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**Barclays Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the Barclays Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The Barclays Loan provides for a bullet repayment in January 2013. The fulfillment of the payment obligations of SIAS *vis-à-vis* Barclays under the Barclays Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. Barclays acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 28 July 2011.
- In April 2012, SIAS and Société Générale, Milan Branch ("**Société Générale**") entered into a loan agreement pursuant to which Société Générale has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**SG Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the SG Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The loan agreement provides for bullet repayment in October 2013. The fulfillment of the payment obligations of SIAS *vis-à-vis* Société Générale under the SG Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. Société Générale entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 3 April 2012.
- In October 2012, SIAS and Cassa di Risparmio di Genova e Imperia S.p.A. ("**CARIGE**") entered into a loan agreement pursuant to which CARIGE has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**CARIGE Loan 1**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the CARIGE Loan 1 shall then be on-lent by SIAS to ATIVA through an intercompany loan to fund ATIVA investments. The CARIGE Loan 1 is an amortising loan providing for a balloon repayment in August 2016; such balloon installment amount can be amortised up to June 2020. The fulfillment of the payment obligations of SIAS *vis-à-vis* CARIGE under the CARIGE Loan 1 are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to ATIVA. CARIGE entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 2 October 2012.
- In October 2012, SIAS and Banco Bilbao Vizcaya Argentaria S.A. - BBVA, Milan Branch ("**BBVA**") entered into a loan agreement pursuant to which BBVA has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**BBVA Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the BBVA Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The BBVA Loan is an amortising loan providing for a bullet repayment in April 2014. The fulfillment of the payment obligations of SIAS *vis-à-vis* BBVA under the BBVA Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. BBVA entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 9 October 2012.
- In November 2012, SIAS and Cassa di Risparmio di Genova e Imperia S.p.A. ("**CARIGE**") entered into a loan agreement pursuant to which CARIGE has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 60,000,000 (the "**CARIGE Loan 2**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the CARIGE Loan 2 shall then be on-lent by SIAS to ADF through an intercompany loan to partially fund the



acquisition of ATS. The CARIGE Loan 2 is an amortising loan providing for maximum final repayment date in June 2020. The fulfillment of the payment obligations of SIAS *vis-à-vis* CARIGE under the CARIGE Loan 2 are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to ADF.

For further information in respect of the Intercreditor Agreement and the *pro rata* recovery sharing mechanism among the Secured Creditors of SIAS, to be applied in case of enforcement of the relevant security interests upon occurrence of an enforcement event, see "*General description of the Programme – Structural Overview*" and "*Condition 5 (Special Provisions of Secured Notes), paragraph (c) (Intercreditor Agreement)*", above.

## REGULATORY

The Italian motorway sector is governed by a set of laws, ministerial decrees and resolutions issued by the Inter-ministerial Committee for Economic Planning ("**CIPE**"), which have been issued and amended from time to time. Motorway concessionaires must operate within this regulatory framework and in compliance with the provisions of the relevant concession agreements originally entered into with ANAS.

### *The SIAS Group Motorways Concessions*

The SIAS Group Italian Network operates through 7 motorway concessions originally granted by ANAS.

The following table lists the concessions held by the SIAS Group's Motorway Subsidiaries, specifying the expiry date of each concession.

| <b>Concession Holder</b> | <b>Concession/Motorway</b>   | <b>Expiry Date</b> |
|--------------------------|--|--------------------|
| SATAP                    | A4 Turin – Milan.....  | 31/12/2026         |
|                          | A21 Turin-Alessandria-Piacenza .....   | 30/06/2017         |
| SAV                      | A5 Quincinetto-Aosta, Racc. A5-SS27 del G. S. Bernardo .....                   | 31/12/2032         |
| ATIVA                    | A5 Turin-Quincinetto, A4/A5 Ivrea-Santhià, S.A.T.T.....                        | 31/08/2016         |
| SALT                     | A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia ..... | 31/07/2019         |
| ADF                      | A10 Savona-Ventimiglia.....  | 30/11/2021         |
| CISA                     | A15 Parma-La Spezia .....  | 31/12/2031         |
| AT-CN                    | A33 Asti-Cuneo.....  | 1                  |

<sup>1</sup> The relevant Concession has a duration of 23 years and 6 months following the date on which the construction works have been completed in full.  
Expiry date indicated in the table above is confirmed in a Report dated 3 February 2010 sent by ANAS to the Italian Parliament.

The Group's motorway concessions are governed by Single Concessions (as defined in "*Regulatory Framework*" below) entered into between the concessionaire and ANAS between October 2007 and March 2010.

The Single Concession of AT-CN was approved through the ordinary procedure provided for by Law Decree No. 262 of 3 October 2006 and is in full force and effective as of 11 February 2008, by virtue of the registration of the relevant Inter-ministerial Decree (*Decreto Interministeriale*) by the Italian State Auditors' Department (*Corte dei Conti*).

The Single Concessions of SATAP and ATIVA were signed respectively on 10 October 2007 and 7 November 2007. The Single Concessions were finally approved by virtue of Law No. 101 of 6 June 2008 and are effective from 8 June 2008.

With reference to the ATIVA concession and the SATAP concession (both the A4 motorway section and A21 motorway section), on 18 March 2011, ATIVA and SATAP entered into separate additional deeds with ANAS (collectively, the "**Additional Deeds**") to the Single Concessions for the definition of the financial reliance requirements to be complied with in accordance with article 11, paragraph 5, lett. b) of Law No. 498/92 (Annexes N). The effectiveness of the Additional Deeds is subject to approval by decree of the Ministry of Infrastructure and Transport (the "**MIT**") in agreement with the Ministry of Economy and Finance (the "**MEF**") (such decree to be registered by the Italian State Auditors' Department (*Corte dei Conti*)). Once effective, the Additional Deeds will require each of ATIVA and SATAP to comply, at the end of each financial year (*esercizio*), the following ratio: cash flow available for debit service/debit service being higher than 1.2. In order to allow the concessionaire to reach the full operation of the

infrastructure and the expected traffic volumes, ATIVA and SATAP will not be required to comply with such ratio during the first 5 years after the entry into operations of the motorway.

The Single Concessions of ADF, SALT and SAV (each entered into on 2 September 2009) were approved by Law No. 191 of 23 December 2009. Such Single Concessions are effective as of 12 November 2010, when the Motorway Subsidiaries mentioned above and ANAS entered into separate deeds (Rep. No. 91996/22499, 91997/22500 and 91995/22498), implementing the provisions of CIPE resolutions No. 18/2010, No. 16/2010 and No. 17/2010 published in the Official Gazette on 2 October 2010, 6 October 2010 and 4 October 2010, respectively. On 22 December 2010, the MIT acknowledged that the CIPE provisions were duly implemented.

CISA and ANAS have entered into the relevant Single Concession on 3 March 2010. The Single Concession was approved by Law Decree No. 78 of 31 May 2010 (converted into law, with amendments, by Law No. 122 of 30 July 2010) ("**Law Decree 78/2010**"). Such Single Concession is effective as of 12 November 2010, when CISA and ANAS implemented the provisions of CIPE Resolution No. 26/2010 published in the Italian Official Gazette of 15 October 2010. On 22 December 2010, the MIT acknowledged that the CIPE provisions were duly implemented.

Each Single Concession, once become effective, replaces and supersedes the agreements entered into between ANAS and the relevant concessionaire prior to the signing of the Single Concessions.

In addition to the above, in accordance with Article 1, paragraph 1, of CIPE resolution No. 39/2007, SATAP (both A4 and A21 motorways). SAV and CISA asked for the re-adjustment of the financial plan in order to allow them to (i) remunerate the investments made in excess with respect to the relevant financial plans provisions with a proper interest rate, calculated on the basis of the weighted average cost of capital or (ii) to remunerate their investments with a rate of return consistent with the market standard even if such investments are not in excess with respect to the financial plans provisions.

ATIVA, SALT and ADF asked for the confirmation of the economic and financial plan; with respect to their position, the above mentioned CIPE resolution shall apply only to the "new investments" (*i.e.* any investment not included in the previous concession agreements) which will be remunerated with a proper rate of return calculated on the basis of the weighted average cost of capital.

### ***Regulatory Framework***

Law Decree No. 262 of 3 October 2006 which was enacted by Law No. 286 of 24 November 2006, as subsequently amended by Law No. 296 of 27 December 2006 (as so amended, "**Law Decree 262/2006**") established a new regime for motorway concessions, providing that each concessionaire shall enter into a comprehensive new single concession agreement (each a "**Single Concession**") including both the conditions of the previous concession agreements in force and the new specific binding provisions set forth by Law Decree 262/2006. In particular, all concessionaires are required to enter into the Single Concessions upon when the first update to the relevant concession's financial plan (the "**FP**") or the first revision of the relevant concession agreement is requested.

With reference to the standard approval procedure of the Single Concessions, pursuant to Law Decree 262/2006, each scheme of Single Concession, as agreed between ANAS and the relevant concessionaire, is required to be subject to technical advice given by the *Nucleo di consulenza per l'attuazione delle linee guida sulla regolazione dei Servizi di pubblica utilità* (NARS) and then examined by the CIPE; afterwards, such scheme, together with the CIPE's remarks, shall be submitted to the relevant Parliamentary Commissions for the relevant advise.

Following the advice of the Parliamentary Commissions, the scheme of the Single Concession shall be approved by a Ministerial Decree to be issued by the Ministry of Infrastructure and Transport in agreement with the MEF and is required to be registered, after a legitimacy control, by the Italian State Auditors' Department (*Corte dei Conti*). The Single Concession will become effective after the registration of the relevant approval decree by Italian State Auditors' Department and the subsequent communication of such decree to the relevant concessionaire.

Notwithstanding the foregoing, Law No. 101 of 6 June 2008 ("**Law 101/2008**") and Law No. 191 of 23 December 2009 ("**Law 191/2009**", or the "**2010 Budget Law**"), have established a derogation for the approval of the Single Concessions.

In particular, Law 101/2008 which has converted Law Decree No. 59 of 8 April 2008 ("**Law Decree 59/2008**") stated, regardless of the status of the standard approval procedure of the signed schemes of Single Concession, the approval by law of all the schemes of Single Concessions already signed at the date of the entrance into force of Law Decree 59/2008 (*i.e.* 9 April 2008).

Subsequently, Article 2, paragraph 202 of the 2010 Budget Law without prejudice to the concession agreements already approved by Law 101/2008, set forth the approval by law of all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at the date of 31 December 2009, **provided that** (i) the CIPE issues a positive advice, also with prescriptions, on such schemes, (ii) such schemes will be modified according to the CIPE's prescriptions.

Finally, Law Decree 78/2010 amended, in turn, Article 2, paragraph 202 of the 2010 Budget Law, by replacing the date of 31 December 2009 with the date 31 July 2010. As a result of this amendment, all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at the date of 31 July 2010 are approved by law, **provided that** (i) the CIPE issued a positive advice, also with prescriptions, on such schemes, (ii) such schemes are modified according to the CIPE's prescriptions.

In addition to the above, Article 47, paragraph 3, of Law Decree 78/2010, provides, in turn, that "*article 2, paragraph 202, letter a) of Law 191/2009 shall be interpreted in the meaning that should the schemes of Single Concession and relevant financial plans fail in complying with the CIPE prescriptions (and such compliance not be attested through a notice of the to the Ministry of Infrastructure and Transport and to the Ministry of Economy and Finance), such schemes shall be regarded as not approved and be subject to the approval procedure provided by article 2, paragraph 82 and followings of Law Decree No., 262 of 3 October 2006, as converted with amendments into Law 286 of 24 November 2006*".

In addition to the above, for the purposes of the effectiveness of the schemes of Single Concession approved by Law 191/2009 and Law Decree 78/2010 there is no longer required the issuance and the registration of a ministerial decree, **provided that** such schemes are modified by ANAS and the concessionaires according to the CIPE's prescriptions.

The approval CIPE resolutions of the Single Concessions may also contain substantial prescriptions impacting terms and conditions of the current Single Concessions to be accordingly modified, In addition, before the implementation of the CIPE prescriptions within the schemes of the Single Concessions, the approval CIPE resolutions are required to be registered by the Italian State Auditors' Department and published in the Italian Official Gazette.

Should the concessionaires not implement the CIPE's prescriptions, the Single Concessions shall be regarded as "not approved" and shall be required to follow the steps of the standard approval procedure set by Law Decree 262/2006.

According to the provisions of Law Decree 262/2006, the Single Concessions shall provide among other things:

- (i) for the rate to be used in calculating annual tariff adjustments based on traffic and cost trends and the concessionaire's efficiency and service quality;
- (ii) for the allocation to ANAS of additional profits generated by the commercial use of motorway areas;
- (iii) for the recognition of tariff adjustments in return for investments included in the investment plan only after the related investments have been verified by the grantor of the concession to have been effectively carried out;
- (iv) for the definition by ANAS of general levels of quality standards, as well as more specific standards regarding individual services provided by concessionaires;
- (v) for the definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;
- (vi) that concessionaires must meet the capital adequacy requirements set forth in the relevant concession;

- (vii) that concessionaires must audit the financial statements; and
- (viii) for a system of sanctions and penalties in the event of material breach of obligations arising from the Single Concessions.

Ministerial Directive of 30 July 2007 and Ministerial Decree of 29 February 2008 set forth provisions concerning subjective changes of the concessionaire deriving from European business concentrations.

Such provisions state, in particular, that any operation entailing subjective changes of the holder of the concession (*i.e.* changes of control of the concessionaire, merger and demerger deals, transfer of business, changes of the registered office or the corporate purpose, dissolution) shall be authorized by the grantor according to a procedure aimed at ensuring the regular fulfilment of the obligations arising from the concession agreements by the incoming concessionaire. Such procedure shall be closed within 90 days from the relevant application through an express measure by the grantor which may authorise, also with further requirements (such as the relapse of additional guarantees), or refuse the deal to be executed by the outgoing concessionaire. The requiring concessionaire is entitled to challenge the possible negative measure issued by the grantor before the Administrative Courts.

#### ***Awarding of the motorway concessions***

In order to increase competition in awarding concessions in the infrastructures and transport, Article 43 of Law Decree 201/2011 (converted into Law 214/2011) amended Article 8-*duodecies* of Law Decree 59/2008 provides that both the work concessions and service concessions in the road and motorway sector shall be awarded on a project financing basis in accordance with the procedures set forth by Articles 144 and 153 of Legislative Decree 163/2006. According to Part II, title III, section II of Legislative Decree 163/2006 the concessionaires of public works fall within the scope of the provision.

#### ***Adjustment and revision of the Motorway Concessions***

Article 43, paragraphs 1-3, of Law Decree 201/2011 (converted with amendments into Law 214/2011) introduced changes to the approval procedure for the adjustment and revision of the motorways concessions. In particular:

- (a) the adjustments and the revisions of the motorways concessions in force as at 6 December 2011 relating to changes to the investment plan or regulatory aspects aimed at safeguarding the public accounts shall be subject to the prior opinion of the CIPE (to be delivered within 30 days) and shall be approved by ministerial decree (MIT in agreement with the MEF, agree that it shall be issued within 30 days from the sending of the concession agreement by the grantor);
- (b) the adjustments and the revisions of the motorway concessions in force as at 6 December 2011 not relating to the changes described above shall be approved by ministerial decree (MIT in agreement with the MEF, agree that it shall be issued within 30 days from the sending of the concession agreement by the grantor) and do not require the prior opinion of the CIPE;
- (c) the adjustments and the revisions reflected into schemes of additional deeds already subjected to the CIPE's opinion as at 6 December 2011 shall be only approved by ministerial decree (MIT in agreement with the MEF, agree that it shall be issued within 30 days from the sending of the concession agreement by the grantor) and do not require a further CIPE's opinion.

Accordingly, Article 43, paragraph 4, of Law Decree 201/2011 abrogated the provisions set forth by Article 8-*duodecies*, paragraph 2, last section, of Law Decree 59/2008 and Article 21, paragraph 4, of Law Decree 355/2003<sup>5</sup>.

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<sup>5</sup> Article 8-*duodecies*, paragraph 2, last section, of L.D. 59/2008 provided that any changes or integrations of the Single Concessions following their entrance into full force and effect shall be subjected to the ordinary approval procedure set forth by Law Decree 262/2006 while Article 21, paragraph 4, of L.D. 355/2003 provided that any change of the concessions in force, even deriving from variations of the investment plan and the X parameter of the tariff adjustment are approved by decree of the Ministry of Infrastructure and Transport in agreement with the Ministry of Finance.

### ***Mechanism and Procedure for the annual adjustment of the Tariffs***

In accordance with Law Decree 262/2006. CIPE issued a new directive in June 2007 ("**Directive 39/07**") that introduced specific criteria and parameters for determining motorway tariffs, Directive 39/07 is applicable to all new concessions and existing concessions where the concessionaire requests a re-alignment of the concession's financial plan (the "**FP**"), as well as to new investments under existing concessions which were not yet approved as at 3 October 2006, or which were approved but not included in the relevant investment plans at such date. Directive 39/07 introduced a new tariff formula and provided for a re-alignment of tariffs every five years to reflect traffic and cost trends and investment costs in an effort to provide the concessionaire with a proper rate of return.

According to the provisions of Directive 39/07, the new tariff formula, defined according to the price cap method, results to be the following:  $\Delta T = \Delta P - X + K$

where:

- $\Delta T$  is the annual percentage ratio of the tariff;
- $\Delta P$  is the annual rate of projected inflation in Italy established by the Government in its Economic and Financial Plan;
- $X$  is the factor (expressed as a percentage) of annual adjustment of the tariff determined at the beginning of any regulatory period (5 years) and unchanged during such period so that in the next regulatory period, without any further investments, the discounted value of the expected incomes shall be equal to the discounted value of the admitted costs, considering the increase in efficiency for the concessionaires and discounting the amounts at the fair remuneration rate;
- $K$  is the annual percentage *ratio* of the tariffs determined every year in order to remunerate the investments performed during the previous year; therefore, it is calculated so that the discounted value of the increased incomes expected at the end of the regulatory period shall be equal to the discounted value of the increased admitted costs, discounting the amounts at the fair remuneration rate.

Finally, to be added or deducted to the tariff components listed above is a coefficient  $\beta\Delta Q$  related to the quality factor connected with the *status* of road surface and the accident rate.

Article 8-*duodecies* of Law Decree 59/2008, as recently amended by Law 214/2011 enabled motorway concessionaires to agree a simplified formula for the annual tariff rate adjustment calculation based, for the entire term of the concession, on a fixed percentage of real inflation, the return of invested capital (RAB) as set forth by Law No. 47 of 27 February 2004, the new investments as set forth in the Directive 39/07 and the investments compensated through the X parameter of the above mentioned Directive 39/07.

The procedure for the annual tariff adjustment is regulated by Article 21, paragraph 5, of Law Decree No. 355 of 24 December 2003. According to such procedure:

- (i) within 31 October of each year the concessionaires must provide the grantor with a proposal of tariff adjustment based on the formulas provided by the Single Concessions as well as the value of the K factor (*i.e.* the tariff component, as defined above, representing the investments carried out by the motorway concessionaire) to be remunerated through the tariff formula;
- (ii) within 30 days following the notification of the tariff proposal by the concessionaires, the grantor shall send the notice received by the concessionaire and its tariff proposal to the MIT and the MEF;
- (iii) within 15 days from the communication of the grantor under point (ii) both the MIT and the MEF shall approve or reject the tariff proposal by means of a motivated decree. The rejection of the tariff proposal may concern only irregularities of the values included in the tariff formula and material breaches of the obligations undertaken by the concessionaire and contested by the grantor by June 30 of the previous year; and
- (iv) in the event the tariff proposal is approved, the annual tariff increases become effective by 1 January of the following year.

On 31 October, the SIAS Group's proposal for the annual adjustment of the tariffs for 2013 was filed with the competent Authorities.

### ***Concession Fees and Surcharges***

Pursuant to Article 1, paragraph 1020, of Law No. 296 of 27 December 2006 ("**Law 296/2006**") the motorway concessionaires must pay to the grantor, as of 1st of January 2007, a concession fee equal to 2.4 per cent of the net revenues of toll fees.

Law No. 102 of 3 August 2009 ("**Law 102/2009**") converting into law (with amendments) Law Decree 78 of 1 July 2009, introduced an increase of the concession fee charged to the motorway concessionaire (the "**Surcharge**"), to be calculated on the basis of the distance in kilometres covered by each vehicle using the motorway (the Surcharge is equal to Euro 0.003 per kilometre for vehicles in classes A and B and to Euro 0.009 per kilometre for vehicles in classes 3, 4 and 5).

Law Decree 78/2010 has introduced a further increase of the Surcharge due to the grantor by the motorway concessionaires. In particular, Article 15, paragraph 4, of Law Decree 78/2010 set forth that the motorway concessionaires shall pay to the grantor the following extra charges:

- (a) Euro 0.001 per kilometre for vehicles in classes A and B and Euro 0.003 per kilometre for vehicles in classes 3, 4, and 5. Such amounts shall be paid starting from the first day following the second month from the entrance into force of the Stabilisation Law Decree; and
- (b) Euro 0.002 per kilometre for vehicles in classes A and B and Euro 0.006 per kilometre for vehicles in classes 3, 4, and 5 starting from 1 January 2011.

In any event, the concessionaire recovers the greater fee to be paid to the grantor (*i.e.* the Surcharge) by proportionally increasing the relative toll tariffs.

As of 1 January 2011, the total amount of extra charges is equal to Euro 0.006 per kilometre for vehicles in classes A and B and Euro 0.018 per kilometre for vehicles in classes 3, 4 and 5.

### ***Law 14/2009 and new provisions regarding contract awards***

Law No. 14 of 27 February 2009 (converting into law, with amendments, Law Decree No. 207 of 30 December 2008) ("**Law. 14/2009**") reformed the regulations governing contract awards provided for under Article 2, paragraph 85, letter c), of Law Decree No. 262 of 3 October 2006 (*i.e.* the award of the public contracts of works, services and supplies), by requiring motorway concessionaires to act as awarding authorities when selecting contractors to carry out works, and the providers of goods and services over and above the EU threshold. Law 14/2009 has amended letter c), establishing that "*in the case of concessionaires that are not awarding authorities*", "*contract awards to third parties are to be carried out in compliance with the provisions of Articles 142 paragraph 4 and 253 paragraph 25 of Legislative Decree No. 163 of 12 April 2006*".

Moreover, the above Law 14/2009 has amended the regulations for tenders, establishing that concessionaires with concessions approved at 30 January 2002 and subsequently renewed "*are required to award work contracts to third parties representing a minimum percentage of 40 per cent. of the works to be carried out, acting, solely with regard to this portion, in every respect as an awarding authority*". According to Article 51 of Law Decree 1/2012, as amended by Law 134/2012, with effect from 1 January 2014, such minimum percentage is raised to 60 per cent. from 40 per cent.

### ***Reorganisation of ANAS and liberalisation of the transport sector***

Article 36 of Law Decree No. 98 of 6 July 2011, converted into law with amendments by Law No. 111 of 15 July 2011 provided for the reorganisation of ANAS.

Starting from 1 January 2012, a new governmental body named "*agency for road and motorway infrastructures*" (the "**Agency**") subject to policies, surveillance and control of the MIT, was set up. The Agency would plan to adopt its own by-laws and carry out the activities and tasks attributed to ANAS; accordingly, the personnel of ANAS should have transferred to the Agency through a ministerial decree. In addition, pursuant to Article 36, paragraph 4, of Law Decree No. 98 of 6 July 2011, as amended by Laws 14/2012 and 134/2012, by 30 September 2012, the Agency (i) would have stepped into the single

concessions in force as at that date, resulting in all the rights, powers, obligations (arising from the single concessions originally granted by ANAS) and its offices (such as the IVCA, *Ispettorato Vigilanza Concessioni Autostradali*) being transferred to the Agency; and (ii) all the shareholdings held by ANAS, also in regional companies, will be assigned to the MEF free of consideration.

Furthermore, Article 11, paragraph 5, of Legislative Decree 216/2011, as amended by Law 135/2012, provided, *inter alia*, that in the event that by 30 September 2012, the by-law and the ministerial decree aimed at identifying the personnel to be employed by the Agency are not adopted, the Agency shall be abolished and the tasks, activities and functions already transferred to the Agency from ANAS shall be transferred to the MIT with effect from 1 October 2012.

In light of the foregoing, with effect from 1 October 2012, certain activities and functions falling within the competences of ANAS have been transferred to the MIT. As a consequence, with effect from 1 October 2012, the MIT has stepped into the Concessions in force as at that date as grantor, resulting in all the rights, powers, obligations arising from the single Concessions (originally entered into with ANAS as grantor) being transferred from ANAS to the MIT. As a result of such reorganisation process, the competences of ANAS will be basically limited to the construction and management of road and state motorway infrastructures and will operate as a state in-house company.

In this context, without prejudice to competences of the MIT and of other public authorities (such as the Authority for the Vigilance on the Public Contracts, Competition Authority) in infrastructures and transport sector, Article 37 of Law Decree 201/2011 (converted, with amendments, into law 27/2012) set up a new governmental body operating in the sector of infrastructures and transport (the so called "**Regulatory Authority**"). The Regulatory Authority is entrusted, *inter alia*, with regulatory and inspection powers also in the motorway sector. In particular, the Regulatory Authority is entitled to: (i) fix, for new concessions, tariff systems based on the price cap mechanism by defining the X parameter (so called productivity factor) every 5 years; (ii) define the concession agreement schemes to be attached to the call for tender and the schemes of the call for tenders to be awarded by the concessionaires; (iii) define the optimal ambit for the management of the motorway sections.

#### ***Strategic motorway infrastructures***

Articles 161 and following of Legislative Decree No. 163 of 12 April 2006 sets out a specific framework for the purpose of facilitating and streamlining the planning, approval and execution of certain public works projects related to strategic infrastructure and production facilities, deemed by CIPE to be strategically relevant for the Italian State. This regulation provides that both the preliminary project and final project of the motorway infrastructure of strategic relevance shall be submitted to CIPE for its approval. In addition, the final project shall be approved by the competent public authorities which have taken part in specific public meetings (so-called *Conferenza di Servizi*). The approval process for public works of strategic relevance is expected to be reduced to approximately thirteen months.

Further measures aimed at simplifying the approval process of the strategic infrastructures were introduced by L.D. 201/2011 and L. 27/2012. In particular, it is worth mentioning (i) the faculty of the CIPE to approve, on proposal of the Ministry of Infrastructure and transport and **provided that** certain requirements are met, the only preliminary project, being understood that the definitive project shall be approved by ministerial decree; (ii) the introduction of a specific regulation of the awarding procedures of the strategic infrastructures on a project financing basis.

#### ***Key Concession Terms***

The Single Concessions govern the contractual relationships between the grantor and each concessionaire. (For the step-in of the Ministry of Infrastructure to ANAS in the Single Concessions, please refer to "*Reorganisation of ANAS and liberalisation of the transport sector*" above.)

In particular, the Single Concessions awarded to the concessionaires of the SIAS Group (the "**Concessionaires**") contain a set of key common provisions concerning, *inter alia*, (i) the list of the obligations to be fulfilled by the Concessionaires, (ii) the procedures for the approval of any changes of the Concessionaire's share capital (iii) the sanctions and penalties applicable by the grantor (originally

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<sup>6</sup> In particular, the provision was amended by Article 12, paragraph 78, lett. a) of Law Decree 95/2012 converted, with amendments, into Law 135/2012.

being ANAS and as at the date hereof the MIT) in the event of material breach of obligations undertaken by the Concessionaires; (iv) the concession fees due to the grantor for the occupation of the motorway infrastructures; (v) the specific formulas and procedures for the annual tariff adjustment; (vi) the procedure applicable in case of early termination of the Single Concessions and the compensation to which the Concessionaires are entitled; (vii) the procedure for the revision of the financial plan; and (viii) the award of the sub-concessions.

(a) **Motorway Subsidiaries Obligations**

Concessionaires main obligations include the duty to:

- (i) manage and maintain the motorway infrastructure;
- (ii) organise, maintain and promote motorist assistance services;
- (iii) design and carry out the works provided in each Single Concession;
- (iv) annually provide the grantor with the plan for the ordinary maintenance activities of the motorway infrastructure, to be carried out over the next year;
- (v) provide the grantor, for its approval, with the plans for the extra-ordinary maintenance activity of the motorway infrastructures (*i.e.* any and all maintenance services not included in the ordinary maintenance services under (iv) above);
- (vi) submit to the grantor the final and executive projects of the works provided in the Single Concessions for the relevant approval;
- (vii) keep detailed financial accounts, including traffic data, for each section of the motorway;
- (viii) provide the grantor quarterly with specific and detailed accounting reports to allow it to carry out its regulatory activity in accordance with CIPE resolution No. 39 of 15 June 2007;
- (ix) have the financial accounts audited by an auditing firm to be selected in compliance with the applicable laws;
- (x) assign any works, services and supply in accordance with any applicable laws and regulations;
- (xi) submit the public notice relating to the competitive tender procedure called for the award to third parties of the works provided for in each Single Concession to the grantor;
- (xii) request and obtain any guarantee and insurance required by Legislative Decree No. 163 of 12 April 2006 (*i.e.* Italian Code of Public contracts of works, services and supplies);
- (xiii) provide and maintain in its by-laws (a) appropriate provisions to avoid any conflict of interests of the relevant directors, and (b) integrity and professional requirements of the directors — and, for at least some of them, also independence requirements – pursuant to Article 2387 of the Italian Civil Code;
- (xiv) maintain in its by-laws provisions pursuant to which (a) the Chairman of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the Italian Ministry of Economy and Finance and (b) a member of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the grantor;
- (xv) register in a specific reserve fund (*Fondo rischi ed oneri*) the amounts deriving from the benefited from the delay or default in the realization of the planned new investments<sup>7</sup>; and

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<sup>7</sup> According to the principle of "economic neutrality" (*neutralità economica*) the recovery of the amounts related to investments planned and not executed is carried out so that the relevant Concessionaire



(xvi) meet specific capital adequacy requirements indicated in the relevant Single Concessions.

In addition to the above, the Single Concessions (other than the AT-CN Single Concession) provide for the obligation of the relevant Concessionaires to pay certain debts *vis-à-vis* the so-called *Fondo Centrale di Garanzia*<sup>8</sup>. Any default in the payment of the annual amounts due to the *Fondo Centrale di Garanzia* shall imply the early termination of the Single Concessions according to the procedure described under lett. e) below.

(b) **Extraordinary Transactions and change of control clauses**

The Single Concessions provide for that any transaction involving the merger, demerger, transfer of business, transfer of the headquarter, liquidation and changes in the corporate objects as well as any transfer of the controlling shareholdings of the Concessionaires or disposal of real estate reversible assets construed (*Beni immobili reversibili accatastati*) by any Motorway Subsidiary shall be previous authorised by the grantor.

Should the Concessionaire carry out any of the above mentioned transactions without the prior authorisation by the grantor, the relevant Single Concessions could be subject to the early termination procedure.

(c) **Penalties and sanctions**

The Concessionaires may be required by the grantor to pay penalties and sanctions in case of material breach or default of certain specified obligations arising from the Single Concessions.

Penalties range from a minimum amount of Euro 10.000 up to a maximum amount of Euro 1 million and the highest penalty applies in case of breach of the obligation to provide the motorist assistance service.

Sanctions range from a minimum amount of Euro 25.000 up to a maximum amount of Euro 5 million and the highest sanction applies in case of breach of the obligation to seek the previous authorisation of the grantor to execute any transaction set forth under letter b) above. The maximum amount of sanctions in any reference year of the Single Concession cannot exceed 10 per cent. of revenues for that year, up to a maximum of Euro 150.00 million.

Should the maximum amount of the sanctions applicable in each reference year be exceeded for two consecutive years. the Single Concession could be subject to the early termination procedure.

(d) **Concession Fees**

Under the Single Concessions, the Concessionaires are required to pay to the grantor an annual fee equal to 2.4 per cent. of the net toll revenues for the occupation of the motorway infrastructure.

The concession fee shall be further integrated with an surcharge to be paid by the Concessionaire to the grantor in compliance with Law 102/2009. For further details, see "*Regulatory Framework*".

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cannot receive any economic or financial benefit from the failure or the delay in the realization of such investments.

<sup>8</sup> The Fondo Centrale di Garanzia (warranty fund) for the motorways and railways was instituted by Law no. 382/1968 for the purposes of (i) releasing to the concessionaries guarantees, at market costs, in relation to the construction, maintenance and management of motorway infrastructures and (ii) paying the amounts necessary to ensure the balance of the Financial Plans of the concessionaires. Such Fund has been abolished by Law no. 296/2006 which provided that ANAS shall succeeding the management of the assets of the Fund by assuming the residual credits *vis-à-vis* the motorways concessionaires.

In addition to the above, the Concessionaires are required to pay to the grantor a percentage ranging from 5 per cent and 20 per cent of the revenues deriving from any sub-concessions or sub-contracts awarded for the refuelling and catering activities<sup>9</sup> including fees related to the commercial use of the telecommunications networks.

(e) **Expiration or Early Termination of Single Concessions**

*Expiration of the Single Concessions*

Upon the expiration date of each Single Concession, the relevant Concessionaire is required to transfer the motorways and related infrastructure to the grantor without any compensation due to it and in a good state of repair. In any event, each Concessionaire shall continue to manage the motorway infrastructure granted by virtue of the Single Concession until the succession by the new incoming concessionaire selected through competitive procedures.

In addition to the above and with regard to ATIVA and SALT, the relevant Single Concessions provide for the right of the Concessionaire to receive an indemnity fee pursuant to Ministerial Directive No. 283/1998, for any works executed and not yet amortised as at the expiry date of the relevant Single Concession (equal to Euro 101.06 million for ATIVA and Euro 287.160 million for SALT)<sup>10</sup>; such indemnity fee shall be paid entirely by the new incoming concessionaire within 120 days from the expiry date of the relevant Single Concession. In case of delay in the payment of the indemnity fee, starting from the 121st day from the expiry date of the relevant Single Concession, the incoming concessionaire shall pay interest at the relevant interest rate of the European Central Bank (ECB) plus 1.0 per cent. (1.00%) for each year. Should the succession of the incoming concessionaire not become effective within 24 months from the expiry date of the Single Concession, the grantor shall take over in the relevant Single Concession in lieu of the outgoing Concessionaire and shall pay the abovementioned indemnity fee to ATIVA and SALT (as the case may be).

*Early termination due to the acts of the Concessionaire*

Each Single Concession sets out specific procedures for the early termination of the Concession in case of material (and not remedied) breach by the relevant Concessionaire of the obligations arising from each Single Concession.

In case of material breach by the Concessionaire of any of the obligations set forth in the relevant Single Concession, the grantor shall deliver to the relevant Concessionaire a notice requiring it to remedy such breach within a specified and reasonable timeframe or to provide the grantor with the reasons for the breach.

Should the unfulfilled obligations not be performed by the Concessionaire within the timeframe fixed by the grantor or the reasons provided to the grantor in relation to such breach not be satisfactory, then the grantor may initiate the procedure to terminate the relevant Single Concession, which is as follows:

- (i) the grantor shall notify the Concessionaire of the breach of a specific contractual obligation and shall require the Concessionaire to remedy the contested breach within a set time period, which cannot be less than 90 days from the notification. Within this timeframe, the Concessionaire is entitled to submit defences and objections to support its own position to the grantor;
- (ii) Should the obligations of the Concessionaire not be fulfilled within the timeframe under point (i) above, or the defences submitted by the Concessionaire be rejected by the grantor, this latter shall set a further timeframe, which cannot be less than 60 days, to allow the Concessionaire to perform the unfulfilled obligations; and

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<sup>9</sup> Pursuant to Article 13 of the AT-CN Single Convention, the percentage of the revenues deriving from any sub-concessions to be paid by the Concessionaire amounts to 90%.

<sup>10</sup> The information related to the indemnity fee due to ATIVA and SALT results from the ANAS Report dated 13 February 2010.

- (iii) in the event that the Concessionaire does not remedy the contested breach within the timeframe provided in point (ii), within 90 days from the expiry of the timeframe under point (ii), the grantor may request that the Ministry of Infrastructure and Transport, jointly with the Ministry of Economy and Finance, issue a decree declaring the early termination of the relevant Single Concession. In such event, the Concessionaire is obliged to continue managing the concession until such concession is transferred to a new incoming concessionaire.

Should the decree declaring the early termination of the Single Concession be adopted, the grantor will step into the role of the relevant Concessionaire, undertaking all its obligations and benefits arising from the Single Concession. The Concessionaire is entitled to receive from the grantor an amount (a) determined in accordance with the provisions of the relevant Single Concessions; (b) reduced by 10 per cent by way of penalty plus any damages.

***Early Termination, revocation and withdrawal due to the grantor***

In the event that the early termination of the Single Concessions is due to the breach by ANAS of any of its obligations, or should the Single Concessions be revoked by ANAS for reasons of public interest, the Concessionaire is entitled to receive a compensation equal to (i) the value of the works executed, free from any amortisation cost, or – in the event that the works have not been tested (*collaudato*) – the costs borne by the Concessionaire, (ii) the penalties and any other costs borne or to be borne due to the early termination, (iii) an indemnity fee, as compensation for the loss of income, equal to 10 per cent, (10.0%) of the value of the works still to be executed or of the portion of the service still to be carried out, appraised on the basis of the financial plan.

With regard to the Single Concessions of ATIVA, CISA, AT-CN, SATAP, the amounts so determined shall be applied in priority to satisfy the payment obligations undertaken by the Concessionaires *vis-à-vis* any relevant lender and shall not be used until such payment obligations have been fully satisfied, without prejudice to any further amendment of the applicable laws and regulations. In any event, the early termination of the Single Concession shall become effective upon any and all payments related to the indemnity fees due to the Concessionaires by the grantor being fully satisfied.

(f) **Financial Plan**

The financial plan attached to the Single Concessions is subject to revision/adjournment every five years according to the provisions of the CIPE Resolution No. 39/2007.

In addition, the grantor or the Concessionaires are entitled to request, also in the course of each regulatory period, a revision of the Financial plan and the terms of the Single Concessions in case of a *force majeure* (or any extraordinary event) or (only with regard to the Concessionaire) submission of a new investment plan which impacts the economic and financial balance of the Single Concessions. The specific procedures for the adjournment and the revision of the financial plan are detailed in the relevant Single Concessions.

When adjourning or reviewing the FP, the risk of construction is borne by the Concessionaire once the final project of the works has been approved by the grantor, unless the increase of costs is due to *force majeure* or to facts dependent on third parties and out of the responsibility of the Concessionaire.

(g) **Tariffs applied by the Motorway Subsidiaries of the Group**

***Annual tariff adjustment formula***

The tariff annual adjustment, applicable from the 1<sup>st</sup> January of each year, is calculated in accordance with the following formulas:

| Concession Holder   | Tariff Formula  |
|---|---|
| <b>Companies which requested a "re-alignment" of the Financial Plan<sup>1</sup></b> |   |
| SATAP (A4 and A21)  | $\Delta T = \Delta P - Xr + K \pm \beta \Delta Q$             |
| SAV <sup>3</sup>  | $\Delta T = 70\% * CPI$ (to be added to the factors Xr and K) |
| CISA <sup>3</sup>   | $\Delta T = 70\% * CPI$ (to be added to the factors Xr and K) |

| Concession Holder   | Tariff Formula                                 |
|---|--|
| <b>Companies which requested a "confirmation" of the Financial Plan<sup>2</sup></b> |  |
| ATIVA   | $\Delta T = \Delta P - Xp + K + \beta\Delta Q$ |
| SALT <sup>3</sup>   | $\Delta T = 70\% * CPI + K$                    |
| ADF <sup>3</sup>  | $\Delta T = 70\% * CPI + K$                    |

<sup>1</sup> In consideration of these Motorway Subsidiaries, CIPE Directive No. 39, 15 June 2007, applies only for investments performed on the "re-alignment" date and for "new" investments.

<sup>2</sup> In consideration of these Motorway Subsidiaries, CIPE Directive No. 39, 15 June 2007, applies for "new" investments; for the investments confirmed in concession on the date of the Single Concessions, CIPE Resolution of 24 April 1996 ("Regulatory Guide Lines for services of common purposes") and 20 December 1996 ("Directives for the change of motorway tolls") apply

<sup>3</sup> These Motorway Subsidiaries, entering into the Single Concessions, requested the "simplified tariffs formula", which includes in the tariff a fixed percentage of the real inflation, equal to 70.0 per cent.

<sup>4</sup> *Xr* is a negative factor and as a consequence its inclusion in the formula causes an increase of the tariff.

In this formula:

- **ΔT** is the annual percentage ratio of the tariff;
- **ΔP** is the annual rate of projected inflation in Italy established by the Government in its Economic and Financial Plan;
- **Xr** is the percentage coefficient of annual adjustment of the tariff determined at the beginning of any regulatory period (5 years) and unchanged during such period so that in the next regulatory period, without any further investments, the discounted value of the expected incomes shall be equal to the discounted value of the admitted costs, considering the increase in efficiency for the Concessionaires and discounting the amounts at the fair remuneration rate;
- **K** is the annual percentage ratio of the tariffs determined every year in order to remunerate the investments performed during the previous year; therefore, it is calculated so that the discounted value of the increased incomes expected at the end of the regulatory period shall be equal to the discounted value of the increased admitted costs, discounting the amounts at the fair remuneration rate;
- **βΔQ** is the coefficient related to the quality factor connected with the *status* of road surface and the accident rate;
- **Xp** is the coefficient related to the productivity as determined by the grantor, according to the provisions of the relevant Single Concession; and
- **CPI** represents the actual rate of inflation for the previous twelve-month period from 1 July to 30 June as measured by Italian Institute of Statistics (*Istituto Nazionale di Statistica*, or ISTAT).

The procedure for the annual tariff adjustment is regulated by Article 21, paragraph 5, of Law Decree No. 355 of 24 December 2003 and described under Section concerning "*Mechanism and Procedure for the annual adjustment of the Tariffs*" above.

(h) **Sub-concessions for Services on the Motorways**

Sub-concessions for carrying out food and beverage and mini-market and refuelling services in the motorway service areas are awarded to third parties through competitive procedures in compliance with the principles set forth by Article 11, paragraph 5-ter, of Law No. 498/1992, as amended by Law 296/2006.

In order to guarantee an adequate level and regularity of the service, the candidates are selected based on their technical, organisational and economic skills. The bids are evaluated based on the efficiency, quality and diversity of services and investments consistently with the duration of the activities entrusted to them.

According to the sub-concessions, the sub-concessionaire is typically required to build the structures necessary to provide the service and, subsequently, to manage and maintain those

services. Upon the expiration of the Single Concession the infrastructure built by the sub-concessionaires shall be transferred to the grantor in a good state and condition with no compensation due to the sub-concessionaire.

Under a sub-concession, the sub-concessionaire undertakes to pay to the relevant Concessionaire a fixed amount plus a royalty based on the revenues generated from sales.

## SHAREHOLDERS

According to communications provided pursuant to Article 120 of Legislative Decree No. 58 of 24 February, 1998, as amended (the "**Financial Services Act**"), and available information, as at 14 November 2012 shareholders which own a shareholding exceeding 2 per cent. of the SIAS voting capital were as follows:

| <b>Declarer</b>               | <b>Direct Shareholder</b>                                      | <b>Type of possession</b> | <b>Percentage of voting capital</b> |
|-------------------------------|--|---------------------------|-------------------------------------|
| Lazard Asset Management LLC   | Lazard Asset Management LLC .....                              | Assets under management   | 5.005%                              |
|                               | <b>Total</b> .....   |                           | <b>5.005%</b>                       |
| Assicurazioni Generali S.p.A. | Alleanza Toro S.p.A.....                                       | Owner                     | 0.359%                              |
|                               | Generali Vie S.A. ....   | Owner                     | 1.407%                              |
|                               | Assicurazioni Generali S.p.A.....                              | Owner                     | 1.868%                              |
|                               | <b>Total</b> .....   |                           | <b>3.634%</b>                       |
| Aurelia S.r.l.                | S.I.N.A. Società Iniziative Nazionali Autostradali S.p.A. .... | Owner                     | 1.718%                              |
|                               | Autostrada Torino Milano S.p.A. ....                           | Owner                     | 61.705%                             |
|                               | Aurelia S.r.l. ....  | Owner                     | 9.922%                              |
|                               | <b>Total</b> .....   |                           | <b>73.345%</b>                      |

The remaining percentage of shares are owned by the market.

SIAS is controlled pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code by Autostrada Torino Milano S.p.A., which in turn is controlled by Argo Finanziaria S.p.A. ("**Argo**").

SIAS is subject to the direction and coordination of Argo in accordance with Articles 2497 and following of the Italian Civil Code.

## CORPORATE GOVERNANCE

Corporate governance rules for Italian companies, such as SIAS, whose shares are listed on the Italian Stock Exchange are provided in the Italian Civil Code, in the Financial Services Act, Regulation No. 11971 and in the voluntary code of corporate governance issued by Borsa Italiana S.p.A. (the "**Corporate Governance Code**").

SIAS has adopted a traditional system of corporate governance, based on a conventional organisational model involving shareholders' meetings, a board of directors, a board of statutory auditors and independent auditors.

Pursuant to its by-laws, the management of SIAS is entrusted to a collegial body made up of no fewer than 7 and no more than 15 members (including the independent directors in accordance with applicable laws and regulations), appointed by the shareholders' meeting (collectively the "**Board of Directors**", each a "**Director**").

Directors are appointed for the period established by the shareholders' meeting that appoints them which shall not exceed three financial years. Directors can be reappointed. The by-laws of SIAS provide for a voting list system for the appointment of all members of the Board of Directors.

The Board of Directors has the widest possible powers to perform the ordinary and extraordinary tasks involved in managing SIAS. It is authorised to take all the steps that it deems appropriate in order to

achieve SIAS' aims and corporate objectives, with the sole exception of the powers expressly reserved by law or SIAS's by-laws to the shareholders' meeting.

Pursuant to SIAS's by-laws, the board of statutory auditors is composed of five members, three auditors and two substitutes auditors, each of which shall meet the requirements provided for by applicable law and SIAS' by-laws (collectively the "**Board of Statutory Auditors**"). All members of the Board of Statutory Auditors are appointed by the shareholders' meeting for three financial years and can be reappointed. The by-laws of SIAS provide for a voting list system for the appointment of all member of the Board of Statutory Auditors. The substitute auditors will replace any statutory auditors who resign or is otherwise unable to serve as a Statutory Auditor in accordance with SIAS' by-laws.

The Board of Statutory Auditors is the corporate body that verifies that administrative matters are in good order and, in particular, whether the organisational, administrative and accounting structure adopted by the Board of Directors is appropriate and operating as it should.

## Management

### *Board of Directors*

The shareholders' meeting held on 27 April 2011 appointed SIAS' Board of Directors for a period of three financial years. Unless their office is terminated early, all the members will remain in office until the shareholder's meeting called to approve SIAS' financial statements for the financial year ending 31 December 2013.

The following table sets out the current members of the SIAS Board of Directors.

| <b>Name</b>            | <b>Position</b>         |
|------------------------|-------------------------|
| Bruno Binasco          | Chairman                |
| Paolo Pierantoni*      | Chief Executive Officer |
| Alberto Sacchi *       | Chief Executive Officer |
| Giovanni Angioni       | Director                |
| Enrico Arona           | Director                |
| Maria Teresa Bocchetti | Director                |
| Alessandro Braja       | Director                |
| Ernesto Maria Cattaneo | Director                |
| Stefano Caselli        | Director                |
| Beniamino Gavio        | Director                |
| Daniela Gavio          | Director                |
| Nicola Paolantonio     | Director                |
| Ferruccio Piantini     | Director                |
| Graziano Settime       | Director                |

The business address of the members of the Board of Directors is the Issuer's registered office at Via Bonzanigo 22, 10144 Turin, Italy.

### *Other offices held by members of the Board of Directors*

The table below lists the offices on the boards of directors, boards of statutory auditors, supervisory committees or other positions other than those within SIAS held by the members of SIAS' Board of Directors.

| <b>Name</b>   | <b>Position</b> | <b>Main positions held by Directors outside SIAS</b>  |
|---------------|-----------------|---|
| Bruno Binasco | Chairman        | Chief Executive Officer of Argo Finanziaria S.p.A.<br>Director and Member of the Executive Committee of ATIVA S.p.A.<br>Chairman of the Board of Directors of Aurelia S.r.l.<br>Director and Member of the Executive Committee of Autocamionale della Cisa S.p.A.<br>Deputy Chairman of the Board of Directors of Compagnia Italiana Energia C.I.E. S.p.A.<br>Director of Finanziaria di Partecipazioni ed Investimenti S.p.A.<br>Chairman of the Board of Directors of Holding Piemonte e Valle d'Aosta S.p.A.<br>Chief Executive Officer of IGLI S.p.A.<br>Director of SINELEC S.p.A.<br>Director of Società Italiana Traforo Autostradale del Frejus S.p.A.<br>Director and Member of the Executive Committee of Società |

| <u>Name</u>                                | <u>Position</u>         | <u>Main positions held by Directors outside SIAS</u>  |
|--|-------------------------|---|
| Paolo Pierantoni                           | Chief Executive Officer | Autostrada Ligure Toscana S.p.A.<br>Director of Codelfa S.p.A.<br>Chief Executive Officer and Member of the Executive Committee of Società Autostrada Ligure Toscana S.p.A.<br>Chief Executive Officer of Autocamionale della Cisa S.p.A.<br>Director of Argo Finanziaria S.p.A.  |
| Alberto Sacchi                             | Chief Executive Officer | Director of Argo Finanziaria S.p.A.<br>Director of Autocamionale della Cisa S.p.A.<br>Director of Autostrada dei Fiori S.p.A.<br>Chief Executive Officer of Autostrada Torino – Milano S.p.A.<br>Director and member of the Executive Committee of Autostrada Ligure Toscana S.p.A.   |
| Giovanni Angioni                           | Director                | Director of Autostrada Asti – Cuneo S.p.A.<br>Director of Holding Piemonte e Valle d'Aosta S.p.A.<br>Standing Auditor of Banca Credito Cooperativo del Tortonese Società Cooperativa<br>Director of Milano Serravalle-Milano Tangenziali S.p.A.   |
| Enrico Arona                               | Director                | Director of Autostrada Torino – Milano S.p.A.<br>Director of Argo Finanziaria S.p.A.<br>Director of Autostrada dei Fiori S.p.A.<br>Chief Executive Officer of Finanziaria di Partecipazioni ed Investimenti S.p.A.<br>Director of Industria e Innovazione S.p.A.<br>Director of Società Autostrada Torino-Alessandria-Piacenza S.p.A.<br>Deputy Chairman of the Board of Directors. Chief Executive Officer and Member of the Executive Committee of Società Autostrada Ligure Toscana S.p.A.<br>Director of Industria e Innovazione S.p.A.                           |
| Maria Teresa Bocchetti<br>Alessandro Braja | Director<br>Director    | Director of Autostrada dei Fiori S.p.A.<br>Director of Holding Piemonte e Valle d' Aosta S.p.A.<br>Standing Auditor of Ferrero S.p.A.<br>Standing Auditor of Fondaco SGR S.p.A.<br>Chairman of the Statutory Audit Committee of Santander Consumer Banca S.p.A.<br>Standing Auditor of Santander Private Banking S.p.A.<br>Director of Holding Piemonte e Valle d'Aosta S.p.A.  |
| Ernesto Maria Cattaneo                     | Director                | None  |
| Stefano Caselli                            | Director                | Director of Ravano Green Power Holding<br>Member of "Consiglio di Sorveglianza" (Supervisory Board) of Manutencoop S.p.A.<br>Member of Committee EVCA, European Venture Capital Association<br>Member of the Board of Directors of MPS Venture SGR S.p.A.   |
| Beniamino Gavio                            | Director                | Chief Executive Officer of Aurelia S.r.l.<br>Chairman of the Board of Directors and Chief Executive Officer of Interstrade S.p.A.<br>Chairman of the Board of Directors of SEA – Segnaletica Autostradale S.p.A.  |
| Daniela Gavio                              | Director                | Chairman of the Board of Directors of Appia S.r.l.<br>Director of Argo Finanziaria S.p.A.<br>Director of Aurelia S.r.l.<br>Director of Autostrada dei Fiori S.p.A.<br>Chairman of the Board of Directors of SINELEC S.p.A.<br>Director of SEA – Segnaletica Autostradale S.p.A.<br>Deputy Chairman of the Board of Directors of Autostrada Torino – Milano S.p.A.<br>Deputy Chairman of the Board of Directors of Società Autostrada Torino-Alessandria-Piacenza S.p.A.<br>Director and Member of the Executive Committee of Società Autostrada Ligure Toscana S.p.A. |
| Nicola Paolantonio                         | Director                | None  |
| Ferruccio Piantini                         | Director                | Chairman of CIDI S.p.A.<br>Chairman of Strategie Industriali Finanziarie S.r.l.   |
| Graziano Settime                           | Director                | General manager of Autostrada Torino – Milano S.p.A.<br>Director of Autostrada Torino Ivrea Valle d'Aosta S.p.A.<br>Director of Società Autostrada Torino Alessandria Piacenza S.p.A.   |

It was reported that the public prosecutor of Monza in November 2012 submitted to the judge of the preliminary hearing an indictment request (*richiesta di rinvio a giudizio*) against Bruno Binasco, in his capacity as member of the board of directors of Codelfa S.p.A. ("**Codelfa**"), an affiliate of the Issuer, allegedly for charges of corruption and illegal financing of political parties effected through certain real estate transactions involving Codelfa. An indictment request is an act of the public prosecutor which has

not yet been examined by the competent judge. A first preliminary hearing to discuss the indictment request has been set by the judge of Monza on 23 January 2013.

### ***Committees of the Board of Directors***

Under the authority conferred on it by SIAS' by-laws, the Board of Directors has deemed it appropriate to establish specific committees consisting of some of its members in order to increase the efficiency and the effectiveness of its activities. Such committees have a consultative and advisory role.

At the date of this Base Prospectus, the following committees have been created within the Board of Directors:

- the **Remuneration Committee**, having the task of, *inter alia*, (i) submitting proposals to the Board of Directors on the remuneration policy and performance targets for the variable component of the remuneration of the Chief Executive Officers and the Directors who perform special functions, and (ii) assessing on a periodical basis the adequacy and consistency of such policies and monitoring their implementation. In accordance with the Corporate Governance Code, the Remuneration Committee is made up of non-executive and independent Directors; and
- the **Internal Auditing Committee**, performing advisory and informative functions as listed in the Corporate Governance Code. In accordance with the Corporate Governance Code, the Internal Auditing Committee is made up of non executive and independent Directors.

### ***Independent directors***

The current Board of Directors includes 6 Directors who meet requirements of independence and qualify as independent directors in accordance with the guidelines provided for by the Corporate Governance Code. As at the date of this Base Prospectus the independent Directors are Giovanni Angioni, Alessandro Braja, Ernesto Maria Cattaneo, Stefano Caselli, Nicola Paolantonio and Ferruccio Piantini.

The Board of Directors has chosen not to designate a lead independent director since, having considered the current organisational structure of the Board of Directors, since it did not consider that the Corporate Governance Code's requirements for such a designation exist at this time.

The Code's requirement that independent directors constitute a majority of the members of committees of the Board of Directors has been complied with both for the remuneration committee and the internal auditing committee.

### ***Board of Statutory Auditors***

The shareholders' meeting held on 27 April 2011 appointed SIAS' Board of Statutory Auditors for a period of three financial years, until the shareholder's meeting called to approve SIAS' financial statement for the financial year ending 31 December 2013.

The following table sets out the current members of the SIAS' Board of Statutory Auditors.

| <b>Name</b>        | <b>Position</b> |
|--------------------|-----------------|
| Luigi Rinaldi      | Chairman        |
| Giorgio Cavalitto  | Member          |
| Alfredo Cavanenghi | Member          |
| Pietro Mandirola   | Substitute      |
| Nazareno Tiburzi   | Substitute      |

The business address of the members of the Board of Statutory Auditors is the Issuer's registered office at Via Bonzanigo 22, 10144 Turin, Italy.



### ***Other offices held by members of the Board of Statutory Auditors***

The table below lists the offices on the boards of directors, boards of statutory auditors, supervisory committees or other positions other than those within SIAS held by the members of SIAS' Board of Statutory Auditors.

| <b>Name</b>        | <b>Position</b> | <b>Main positions held by Statutory Auditors outside SIAS</b>  |
|--------------------|-----------------|--|
| Rinaldi Luigi      | Chairman        | Chairman of the Statutory Audit Committee of Napoletangas S.p.A., GNL S.p.A., Laus Factor S.p.A., Allied International S.r.l.<br>Standing Auditor of Stogit S.p.A., Raccordi Forgiati S.p.A., Riso Scotti S.p.A., Scotti Energia S.p.A. and SABROM S.p.A.  |
| Giorgio Cavalitto  | Member          | Chairman of the Board of Directors of Ativa Immobiliare S.p.A.<br>Chairman of the Statutory Audit Committee of SATA Società Automobilistica Tecnologie Avanzate S.p.A. a Socio Unico, Tecnositaf S.p.A., Transenergia S.r.l., Virtuo System S.p.A., 4G Holding S.p.A. and Consepi S.p.A.<br>Standing Auditor of Ferrari S.p.A., Ferrari Financial Service S.p.A., Irisbus Italia S.p.A., Leasys S.p.A., Musinet Engineering S.p.A., Asta S.p.A., Società Italiana Traforo Autostradale Del Frejus – Sitaf S.p.A., IVECO S.p.A. and Nova S.p.A.<br>Sole Auditor of S.C.R. Pieminte S.p.A. |
| Alfredo Cavanenghi | Member          | None<br>Standing Auditor of Autostrada Torino-Milano S.p.A., Società Autostrada Ligure Toscana p.a., G&A S.p.A., SATAP S.p.A., Leas Finanziaria S.p.A., Leas S.p.A., Finanziaria Di Partecipazioni e Investimenti S.p.A., Autostrada dei Fiori S.p.A., Versiglia S.p.A., Autostrada Asti Cuneo S.p.A. and Ibp S.p.A.   |
| Pietro Mandirola   | Substitute      | None   |
| Nazareno Tiburzi   | Substitute      | None   |

### ***Conflicts of Interest***

There are no potential or existing conflicts of interest between the duties of the members of the Board of Directors and the Board of Statutory Auditors to SIAS and their private interests or other duties.

### ***Transactions with related parties***

On 26 November 2010, the Board of Directors of the Issuer approved a new procedure that regulates the approval and the execution of the transactions with related parties entered into by SIAS, directly or through subsidiaries, which was adopted in accordance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing CONSOB Regulation No. 17221 of 12 March 2010 (as subsequently amended by CONSOB Regulation No. 17389 of 23 June 2010). Such procedure replaces, with effect from 1 January 2011, any previous regulation for transactions with related parties approved by the Board of Directors of the Issuer.

For further information, see "*Procedure for transactions with related parties*" available to the general public, free of charge, on [http://www.grupposias.it/upload/pdf/sias\\_procedura\\_operazioni\\_con\\_parti\\_correlate\\_26.11.2010.pdf](http://www.grupposias.it/upload/pdf/sias_procedura_operazioni_con_parti_correlate_26.11.2010.pdf).

### **INDEPENDENT AUDITORS**

The independent auditors ascertain whether the accounting records are properly maintained and record faithfully the results of operations. They also determine whether the statutory financial statements and the consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and whether they comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the board of directors may ask them to perform, provided they are not incompatible with their audit assignment.

The Issuer's current independent auditors are Deloitte & Touche S.p.A., with registered office in Milan, Italy ("**Deloitte**" or the "**Independent Auditors**").

Deloitte is registered under No. 46 in the Special Register (*Albo Speciale*) maintained by the *Commissione nazionale per le società e la borsa* ("**CONSOB**") and is also a member of the ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The Independent Auditors' current appointment was conferred for the period 2008 – 2016 by the shareholders' meeting held on 12 May 2008 and will expire on the date of the shareholders' meeting convened to approve SIAS's financial statements for the financial year ending 31 December 2016.

Deloitte audited the consolidated annual financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011.

## **RECENT DEVELOPMENTS**

### ***Interim results as at and for the nine months ended 30 September 2012***

On 9 November 2012, the Issuer published its consolidated unaudited interim quarterly reports as at and for the nine months ended 30 September 2012. The unaudited consolidated quarterly reports of SIAS as at and for the nine-month periods ended 30 September 2011 and 2012 are incorporated by reference into this Base Prospectus (see "*Information Incorporated by Reference*" above).

Furthermore, for a summary of certain financial information of SIAS derived from the unaudited consolidated quarterly reports of SIAS as at and for the nine-month periods ended 30 September 2011 and 2012 see "*Summary Financial Information*" below.

### ***Acquisition of Autostrada Torino Savona S.p.A.***

On 28 September 2012 ADF exercised a call option to purchase a number of shares equal to 99.98 per cent. of the share capital of Autostrade Torino Savona S.p.A. ("**ATS**") from Autostrade per l'Italia S.p.A. for a consideration of Euro 223 million. Such consideration is in line with the opinion of an independent appraisal.

The closing of the transaction is expected to take place on 15 November 2012.

ATS is the concessionaire for the management and operation of the approximately 130 kilometres motorway connecting Turin to Savona on the Ligurian coastline. The above concession is effective from June 2008 and expires on 31 December 2038.

The stretch granted in concession by ATS represents a strategic link (in the north-south direction) within the network managed by the SIAS Group; in particular – connecting the stretches managed by the subsidiaries ADF, AT-CN, ATIVA and SATAP – guarantees to the SIAS Group a further consolidation of its own presence in the North-West region of Italy. Once this acquisition will be effective, the SIAS Group will manage a total of 1,184.3 kilometres (of which 118 kilometres are under construction) of the Italian motorway network

On the basis of the annual report as at 31 December 2011, "net toll revenues" amount to approximately Euro 64 million, with an "EBITDA" of approximately euro 30 million; the "net financial indebtedness" is equal to approximately Euro 35 million.

ATS asked for the confirmation of the economic and financial plan and in determining the annual tariff adjustments applies the formula  $\Delta T = 70\% * CPI + K$  (for the relevant legenda, see "*Tariff applied by the Motorways Subsidiaries of the Group*", above).

The acquisition of ATS by ADF will be partially funded through a capital increase for a maximum amount of Euro 162.5 million resolved upon by the competent corporate bodies of ADF.

## CAPITALISATION

The following table sets out the capitalisation on a consolidated basis of SIAS as at 31 December 2011 and as at 30 June 2012. This information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of SIAS as at and for the years ended 31 December 2011 and the unaudited consolidated financial statements of SIAS as at and for the six-months ended 30 June 2012, which are incorporated by reference into this Base Prospectus. See also "*Information Incorporated by Reference*".

|  | <b>Audited</b>                |
|--|-------------------------------|
|  | <b>As at 31 December 2011</b> |
|  | <i>(€ in thousands)</i>       |
| Cash, cash equivalents and financial receivables .....                               | (821,748)                     |
| Current financial liabilities .....  | 301,302                       |
| <b>Total</b> .....   | <b>(520,446)</b>              |
| <b>Non-current financial liabilities (a)</b> .....                                   | <b>1,937,868</b>              |
| <b>Equity (b)</b>  |                               |
| (i) attributable to non-controlling interests .....                                  | 221,578                       |
| (ii) attributable to owners of the parent .....                                      | 1,386,381                     |
| <i>of which:</i>   |                               |
| <i>Issued capital</i> .....  | <i>113,751</i>                |
| <i>Reserves and retained earnings</i> .....  | <i>1,120,036</i>              |
| <i>Profit (loss) for the period after interim dividends (where applicable)</i> ..... | <i>152,594</i>                |
| <b>Total (b)</b> .....   | <b>1,607,959</b>              |
| <b>Total capitalisation (a+b)</b> .....  | <b>3,545,827</b>              |

|  | <b>Unaudited</b>          |
|--|---------------------------|
|  | <b>As at 30 June 2012</b> |
|  | <i>(€ in thousands)</i>   |
| Cash, cash equivalents and financial receivables .....                               | (1,411,672)               |
| Current financial liabilities .....  | 321,211                   |
| <b>Total</b> .....   | <b>(1,090,461)</b>        |
| <b>Non-current financial liabilities (a)</b> .....                                   | <b>2,065,853</b>          |
| <b>Equity (b)</b>  |                           |
| (i) attributable to non-controlling interests .....                                  | 246,303                   |
| (ii) attributable to owners of the parent .....                                      | 1,764,059                 |
| <i>of which:</i>   |                           |
| <i>Issued capital</i> .....  | <i>113,751</i>            |
| <i>Reserves and retained earnings</i> .....  | <i>1,216,215</i>          |
| <i>Profit (loss) for the period after interim dividends (where applicable)</i> ..... | <i>434,093</i>            |
| <b>Total (b)</b> .....   | <b>2,010,362</b>          |
| <b>Total capitalisation (a+b)</b> .....  | <b>4,076,215</b>          |

There has been no material change in the capitalisation of the SIAS Group since 30 June 2012.

## SUMMARY FINANCIAL INFORMATION

Set out below is a summary of certain financial information of SIAS derived from the audited consolidated annual financial statements of SIAS as at and for the years ended 31 December 2010 and 2011 and the unaudited consolidated semi-annual financial statements of SIAS as at and for the six-month periods ended 30 June 2011 and 2012 in each case prepared in accordance with IFRS. The consolidated financial statements for the years ended 31 December 2010 and 31 December 2011, together with the audit reports of Deloitte & Touche S.p.A. thereon and the accompanying notes and the unaudited consolidated semi-annual financial statements of SIAS as at and for the six-month periods ended 30 June 2011 and 2012 are incorporated by reference into this Base Prospectus.

The principles of consolidation and valuation criteria applied in preparing the consolidated annual financial statements as at 31 December 2011 and the consolidated semi-annual financial statements as at 30 June 2012 are similar to those used for the preparation of the consolidated financial statements as at 31 December 2010 and the consolidated semi-annual financial statements as at 30 June 2011. For further information see "*Principles of consolidation and valuation criteria*" of the consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2011 and of the consolidated semi-annual financial statements of the Issuer as at and for the six-months ended 30 June 2012, both incorporated by reference in this Base Prospectus. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See also "*Information Incorporated by Reference*".

### Consolidated Income Statement

|  | Audited                 |                  | Unaudited      |                |
|--|-------------------------|------------------|----------------|----------------|
|  | As at 31 December       |                  | As at 30 June  |                |
|  | 2010                    | 2011             | 2011           | 2012           |
|  | <i>(€ in thousands)</i> |                  |                |                |
| <b>Revenues</b>  |                         |                  |                |                |
| Motorway sector, of which:   |                         |                  |                |                |
| Toll revenues and royalties from service areas .....   | 849,912                 | 936,246          | 455,785        | 446,971        |
| Engineering and construction .....   | 259,264                 | 281,186          | 121,451        | 128,998        |
| Construction and engineering sector .....  | 3,961                   | 4,402            | 2,546          | 738            |
| Technology sector .....  | 21,687                  | 24,589           | 10,869         | 6,823          |
| Other .....  | 53,728                  | 49,697           | 18,964         | 19,507         |
| <b>Total revenues</b> .....  | <b>1,188,552</b>        | <b>1,296,120</b> | <b>609,615</b> | <b>603,037</b> |
| Payroll costs .....  | -136,400                | -139,346         | -68,480        | -72,124        |
| Costs for services .....   | -413,903                | -417,459         | -187,767       | -187,661       |
| Costs for raw materials .....  | -36,881                 | -51,529          | -22,487        | -23,905        |
| Other costs .....  | -78,883                 | -118,200         | -58,706        | -53,714        |
| Capitalisation costs on fixed assets .....   | 2,411                   | 2,971            | 2,104          | 1,087          |
| Amortisation, depreciation and write-downs .....   | -205,162                | -239,573         | -109,272       | -112,727       |
| Update of the provision for restoration, replacement, and maintenance of non-compensated revertible assets ..... | -5,090                  | -3,226           | -7,158         | -5,086         |
| Other provisions for risks and charges .....   | -1,223                  | -4,645           | -4,786         | -1,515         |
| Financial income   |                         |                  |                |                |
| - from unconsolidated investments .....  | 4,567                   | 4,198            | 4,056          | 382,140        |
| - other .....  | 6,380                   | 21,217           | 9,374          | 15,256         |
| Financial charges  |                         |                  |                |                |
| - interest expense .....   | -81,681                 | -97,118          | -46,755        | -48,396        |
| - write-down of equity investments and other charges .....   | -8,721                  | -12,977          | -3,770         | -12,722        |
| Profit (Loss) of companies accounted for by the equity method .....  | 26,604                  | 31,169           | 14,130         | 6,516          |
| <b>Profit (Loss) before taxes</b> .....  | <b>260,570</b>          | <b>271,602</b>   | <b>130,098</b> | <b>490,186</b> |
| <b>Taxes</b>   |                         |                  |                |                |
| Current taxes .....  | -92,808                 | -113,572         | -54,582        | -51,239        |
| Deferred taxes .....   | 8,125                   | 22,630           | 9,297          | 4,902          |
| <b>Profit (Loss) for the year</b> .....  | <b>175,887</b>          | <b>180,660</b>   | <b>84,813</b>  | <b>443,849</b> |
| - minority interests' share .....  | 25,853                  | 28,066           | 12,751         | 9,756          |
| <b>- Group share</b> .....   | <b>150,034</b>          | <b>152,594</b>   | <b>72,062</b>  | <b>434,093</b> |

## Consolidated balance sheet

|   | Audited                 |                  | Unaudited            |                  |
|---|-------------------------|------------------|----------------------|------------------|
|   | As at 31 December       |                  | As at 30 June        |                  |
|   | 2010 <sup>(*)</sup>     | 2011             | 2011 <sup>(**)</sup> | 2012             |
|   | <i>(€ in thousands)</i> |                  |                      |                  |
| <b>Assets</b>   |                         |                  |                      |                  |
| <b>Non-current assets</b>                                   |                         |                  |                      |                  |
| Intangible assets .....                                     | 3,138,988               | 3,150,582        | 3,144,131            | 3,154,077        |
| Property, plant, machinery and other assets .....           | 56,483                  | 57,287           | 57,001               | 57,741           |
| Financial lease assets .....                                | 2,182                   | 4,011            | 3,905                | 3,874            |
| Equity investments accounted for by the equity method ..... | 354,357                 | 369,993          | 352,533              | 178,978          |
| Unconsolidated investments available for sale .....         | 222,605                 | 204,289          | 212,370              | 221,185          |
| Receivables .....   | 34,594                  | 35,889           | 34,860               | 36,255           |
| Other .....   | 31,560                  | 46,161           | 45,575               | 115,717          |
| Deferred tax assets .....                                   | 59,435                  | 101,932          | 69,476               | 117,665          |
| <b>Total non-current assets .....</b>                       | <b>3,900,204</b>        | <b>3,970,144</b> | <b>3,919,851</b>     | <b>3,885,492</b> |
| <b>Current assets</b>                                       |                         |                  |                      |                  |
| Inventories .....   | 15,257                  | 34,820           | 25,783               | 30,672           |
| Trade receivables .....                                     | 43,142                  | 36,466           | 24,267               | 21,538           |
| Current tax assets .....                                    | 10,885                  | 7,672            | 9,876                | 12,246           |
| Other receivables .....                                     | 50,315                  | 51,779           | 61,694               | 56,340           |
| Assets held for trading .....                               | —                       | 19,602           | —                    | 42,520           |
| Assets available for sale .....                             | —                       | 5                | —                    | —                |
| Financial receivables .....                                 | 373,794                 | 214,986          | 245,511              | 211,873          |
| Cash and cash equivalents .....                             | 466,820                 | 561,184          | 577,928              | 1,131,826        |
| <b>Total current assets .....</b>                           | <b>960,213</b>          | <b>926,514</b>   | <b>945,059</b>       | <b>1,507,015</b> |
| <b>Total assets .....</b>                                   | <b>4,860,417</b>        | <b>4,896,658</b> | <b>4,864,910</b>     | <b>5,392,507</b> |

|  | Audited                 |                  | Unaudited        |                  |
|--|-------------------------|------------------|------------------|------------------|
|  | As at 31 December       |                  | As at 30 June    |                  |
|  | 2010                    | 2011             | 2011             | 2012             |
|  | <i>(€ in thousands)</i> |                  |                  |                  |
| <b>Shareholders' Equity and liabilities</b>                      |                         |                  |                  |                  |
| <b>Shareholders' Equity</b>                                      |                         |                  |                  |                  |
| Group shareholders' equity                                       |                         |                  |                  |                  |
| - share capital .....  | 113,751                 | 113,751          | 113,751          | 113,751          |
| - reserves and retained earnings .....                           | 1,266,810               | 1,272,630        | 1,296,731        | 1,650,308        |
| Total Group Shareholders' Equity .....                           | 1,380,561               | 1,386,381        | 1,410,482        | 1,764,059        |
| Minority interests .....   | 225,408                 | 221,578          | 221,127          | 246,303          |
| <b>Total Group Shareholders' Equity .....</b>                    | <b>1,605,969</b>        | <b>1,607,959</b> | <b>1,631,609</b> | <b>2,010,362</b> |
| <b>Liabilities</b>   |                         |                  |                  |                  |
| <b>Non-current liabilities</b>                                   |                         |                  |                  |                  |
| Provisions for risks and charges and severance indemnities ..... | 182,823                 | 191,208          | 197,381          | 196,968          |
| Trade payables .....   | 18                      | 17               | 14               | 17               |
| Other payables .....   | 492,930                 | 449,530          | 492,927          | 451,681          |
| Bank debt .....  | 1,100,332               | 1,042,050        | 1,097,766        | 1,145,427        |
| Hedging derivatives .....  | 48,618                  | 94,155           | 35,084           | 116,048          |
| Other financial liabilities .....                                | 794,671                 | 801,663          | 763,936          | 804,378          |
| Deferred tax liabilities .....                                   | 27,907                  | 34,845           | 32,139           | 39,441           |
| <b>Total non-current liabilities .....</b>                       | <b>2,647,299</b>        | <b>2,613,468</b> | <b>2,619,247</b> | <b>2,753,960</b> |
| <b>Current liabilities</b>                                       |                         |                  |                  |                  |
| Trade payables .....   | 92,089                  | 152,346          | 126,727          | 130,683          |
| Other payables .....   | 199,407                 | 193,998          | 172,892          | 154,311          |
| Bank debt .....  | 273,119                 | 279,697          | 247,419          | 286,496          |
| Other financial liabilities .....                                | 20,779                  | 21,605           | 36,512           | 34,715           |
| Current tax liabilities .....                                    | 21,755                  | 27,585           | 30,504           | 21,980           |
| <b>Current liabilities .....</b>                                 | <b>607,149</b>          | <b>675,231</b>   | <b>614,054</b>   | <b>628,185</b>   |
| <b>Total liabilities .....</b>                                   | <b>3,254,448</b>        | <b>3,288,699</b> | <b>3,233,301</b> | <b>3,382,145</b> |
| <b>Total Shareholders' Equity and liabilities .....</b>          | <b>4,860,417</b>        | <b>4,896,658</b> | <b>4,864,910</b> | <b>5,392,507</b> |

\* \* \*

Set out below is a summary of certain financial information of SIAS derived from the unaudited consolidated intermediate management report of SIAS as at and for the nine-month periods ended 30 September 2011 and 2012 in each case prepared in accordance with IFRS. The unaudited consolidated intermediate management report of SIAS as at and for the nine-month periods ended 30 September 2011 and 2012 are incorporated by reference into this Base Prospectus.

The principles of consolidation and valuation criteria applied in preparing the unaudited consolidated intermediate management report of SIAS as at and for the nine-month periods ended 30 September 2012 are similar to those used for the preparation of the unaudited consolidated intermediate management report as at 30 September 2011. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See also "*Information Incorporated by Reference*".

### Turnover and results of consolidated operating activities

|  | <b>Unaudited</b>          |                 |
|--|---------------------------|-----------------|
|  | <b>As at 30 September</b> |                 |
|  | <b>2011</b>               | <b>2012</b>     |
|  | <i>(€ in thousands)</i>   |                 |
| <b>Revenues</b>                                |                           |                 |
| Motorway sector, of which:                     |                           |                 |
| Toll revenues and royalties from service areas | 722,621                   | 710,665         |
| Engineering and construction                   | 203,790                   | 192,137         |
| Costruction and engineering sector             | 3,905                     | 2,003           |
| Technology sector                              | 16,962                    | 11,071          |
| Other  | 28,935                    | 29,524          |
| <b>Total revenues</b>                          | <b>976,213</b>            | <b>945,400</b>  |
| Payroll costs                                  | -104,009                  | -105,312        |
| Costs for services                             | -298,517                  | -286,108        |
| Costs for raw materials                        | -35,198                   | -33,741         |
| Other costs                                    | -90,303                   | -83,908         |
| Capitalisation costs on fixed assets           | 2,366                     | 1,671           |
| <b>Total Operating Costs</b>                   | <b>-525,661</b>           | <b>-507,398</b> |
| <b>Gross Operating Profit</b>                  | <b>450,552</b>            | <b>438,002</b>  |

### Consolidated net financial position

|  | <b>Unaudited</b>        |                          |
|--|-------------------------|--------------------------|
|  | <b>As at</b>            |                          |
|  | <b>30 June 2012</b>     | <b>30 September 2012</b> |
|  | <i>(€ in thousands)</i> |                          |
| Cash and cash equivalents                      | 1,131,826               | 1,109,562                |
| Securities held for trading                    | 42,520                  | 42,050                   |
| <b>Liquidity</b>                               | <b>1,174,346</b>        | <b>1,151,612</b>         |
| <b>Financial receivables</b>                   | <b>237,236</b>          | <b>234,967</b>           |
| Bank short-term borrowings                     | -140,937                | -100,468                 |
| Current portion of medium/long-term borrowings | -145,559                | -154,631                 |

|  | <b>Unaudited</b>        |                          |
|--|-------------------------|--------------------------|
|  | <b>As at</b>            |                          |
|  | <b>30 June 2012</b>     | <b>30 September 2012</b> |
|  | <i>(€ in thousands)</i> |                          |
| Other financial liabilities  | -34,715                 | -44,756                  |
| <b>Short-term borrowings</b>                                       | <b>-321,211</b>         | <b>-299,855</b>          |
| <b>Current net cash</b>  | <b>1,090,461</b>        | <b>1,086,724</b>         |
| Bank long-term borrowings  | -1,145,427              | -1,144,735               |
| Hedging Derivatives  | -116,048                | -131,540                 |
| Bonds issued   | -802,045                | -803,393                 |
| Other long-term payables   | -2,333                  | -2,223                   |
| <b>Long-term borrowings</b>  | <b>-2,065,853</b>       | <b>-2,081,891</b>        |
| <b>Net financial indebtedness</b>                                  | <b>-975,392</b>         | <b>-995,167</b>          |
| Non – current financial receivables                                | 70,000                  | 70,000                   |
| Discounted value of the payable due to ANAS-Central Insurance Fund | -347,758                | -352,352                 |
| <b>"Adjusted" net financial indebtedness</b>                       | <b>-1,253,150</b>       | <b>-1,277,519</b>        |

The unaudited consolidated intermediate reports of SIAS have been prepared pursuant to art. 154-ter, paragraph 5 of Legislative Decree 58 of February 24, 1998, as amended by Legislative Decree 195 of November 6, 2007.

## TAXATION

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes.*

*This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.*

*This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length. Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.*

*The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.*

*Article 2, paragraphs 6-34 of Law Decree No. 138 of 13 August 2011, converted into law with amendments by Law No. 148 of 14 September 2011 (the "**Decree 138**") introduced a general reform of financial income and capital gains pursuant to which, *inter alia*, save for certain exceptions, such kind of income will be subject to withholding (or substitutive) tax at 20 per cent. rate (instead of the current 12.5 per cent. rate) starting from 1 January 2012. Accordingly, this summary only considers the rates and rules applicable as from 1 January 2012. Provisional rules are set forth by the Decree 138, which are not described herein.*

*Certain other amendments to the tax regime of financial instruments have been introduced by Law Decree No. 201 of 6 December 2011, converted into law, with amendments, by Law No. 214 of 22 December 2011, (the "**Decree 201**"), providing for the general application of stamp duties (*imposta di bollo*) to financial instruments. Provisional rules are also set forth by the Decree 201, which are not described herein.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

### **Interest on the Notes**

#### ***Notes qualifying as bonds or securities similar to bonds***

Decree 239 regulates the income tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued, *inter alia*, by Italian resident companies listed in an Italian regulated market, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*). After the amendments introduced by Decree 138, in order to apply Decree 239 (formerly applicable only to Notes having a maturity of eighteen months or more), the maturity of the Notes became irrelevant.

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect participation either in the management of the issuer or in the business in connection with which they have been issued, nor any control on such management.



### ***Italian resident Noteholders***

Where an Italian resident Noteholder, who is the beneficial owner of the Notes, is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a substitutive tax, referred to as "*imposta sostitutiva*", levied, for Interest accrued as from 1 January 2012, at the rate of 20 per cent. (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

If the Notes are held by an investor engaged in a business activity and are effectively connected with the same business activity, the Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to the Decree 239, *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIMs**"), *società di gestione del risparmio* ("**SGRs**"), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Economy and Finance (the "**Intermediaries**").

An Intermediary must satisfy the following conditions:

- (i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream, Luxembourg) having appointed an Italian representative for the purposes of Decree 239; and
- (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with an Intermediary, *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorized intermediary pursuant to the so-called discretionary investment portfolio regime ("*Risparmio Gestito*" regime as defined and described in "*Capital Gains*", below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax at 20 per cent. rate on the results accrued as from 1 January 2012.

The *imposta sostitutiva* also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (i) *Corporate investors* – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), generally applying at the current ordinary rate of 27.5 per cent.; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9 per cent. (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates). IRAP rate can be increased by regional laws up to 0.92 per cent.. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;
- (ii) *Investment funds* – Italian investment funds (which includes *Fondo Comune d'Investimento*, or SICAV), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the "**Funds**") are subject neither to *imposta sostitutiva*

nor to any other income tax in the hands of the Funds. Proceeds payable by the Funds to their quotaholders are subject to a 20 per cent. withholding tax as from 1 January 2012.

- (iii) *Pension funds* – Pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") are subject to an 11 per cent. substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result; and
- (iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the "**Real Estate Investment Funds**") are generally subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. Unitholders are generally subject to a 20 per cent. withholding tax on distributions from the Real Estate Funds. Law Decree No. 70 of 13 May 2011, converted with amendments by Law No. 106 of 12 July 2011, introduced certain changes to the tax treatment of the unitholders of Real Estate Funds, including a direct imputation system ("tax transparency") for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5 per cent. of the units of the Real Estate Fund.

### **Non-Italian resident Noteholders**

An exemption from *imposta sostitutiva* on Interest on the Notes is provided with respect to certain beneficial owners resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who: (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy (as currently listed by Ministerial Decree dated 4 September 1996 and which will be included in a new list to be enacted by a ministerial decree to be issued pursuant to Law No. 244 of 24 December 2007 – a "**White List Country**"); or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a "**Qualified Noteholder**").

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

- (a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and
- (b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the "**Second Level Bank**"). Organisations and companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, **provided that** they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for the Noteholders who are non-resident in Italy is conditional upon:

- (a) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

- (b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December, 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorized to manage the official reserves of a State.

Additional requirements are provided for "institutional investors".

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

#### ***Notes qualifying as atypical securities (titoli atipici)***

Interest payments relating to Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) nor in the category of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*) are subject to a withholding tax, levied, as from 1 January 2012 at the rate of 20 per cent.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Investment Fund, (vii) a Pension Fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Where the Noteholder is (i) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, (ii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In case of non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

### **Capital Gains**

#### ***Italian Resident Noteholders***

Pursuant to Legislative Decree No. 461 of 21 November, 1997 ("**Decree No. 461**") a 20 per cent. capital gains tax (the "**CGT**") is applicable to capital gains realised on any sale or transfer of the Notes for consideration by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

Taxpayers can opt for one of the three following regimes:

- (a) Tax return regime ("**Regime della Dichiarazione**") – The Noteholder must assess the overall capital gains realised in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for any of the two other regimes;

- (b) Non-discretionary investment portfolio regime ("*Risparmio Amministrato*") – The Noteholder may elect to pay the CGT separately on capital gains realised on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorized intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale or transfer of the Notes, as well as in respect of capital gains realised at the revocation of its mandate. The intermediary is required to pay the relevant amount to the Italian tax authorities by the 16th day of the second month following the month in which the CGT is applied, by deducting a corresponding amount from the proceeds to be credited to the Noteholder. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and
- (c) Discretionary investment portfolio regime ("*Risparmio Gestito*") – If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realised, is subject to an ad-hoc 20 per cent. substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

The aforementioned regime does not apply to the following subjects:

- (A) *Corporate investors* – Capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains have also to be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years.
- (B) *Funds* – Capital gains realised by the Funds on the Notes are subject neither to CGT nor to any other income tax in the hands of the Funds (see "*Italian Resident Noteholders*", above).
- (C) *Pension Funds* – Capital gains realised by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 11 per cent. substitutive tax (see "*Italian Resident Noteholders*", above).
- (D) *Real Estate Investment Funds* – Capital gains realised by Real Estate Investment Funds on the Notes are not taxable at the level of same Real Estate Investment Funds (see " – *Italian Resident Noteholders*", above).

#### ***Non Italian resident Noteholders***

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market in Italy or abroad (e.g. the Irish Stock Exchange).

Should the Notes not be listed in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Decree 461, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realised upon sale or transfer of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realised upon any such sale or transfer.

### **Transfer taxes**

Stamp duty tax (*tassa sui contratti di borsa*), previously applicable on transfers of the Notes, has been repealed.

Following the repeal of the Italian transfer tax, as from 31 December 2007, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to fixed registration tax; (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax only in "case of use" or voluntary registration.

### **Stamp tax**

Article 19 of Decree 201 has introduced a stamp tax at proportional rates on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in Pension Funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year.

Such stamp tax is applied, on a yearly basis, on the market value of the financial instruments, or, lacking such value, on the nominal or reimbursement value of such instruments, at the following rates:

- (i) 0.1 per cent. for 2012; and
- (ii) 0.15% per cent. 2013 onward.

In any case, a minimum stamp tax of euro 34.20 is due on a yearly basis. Only for 2012 the maximum amount of stamp tax cannot exceed euro 1,200.

### **Inheritance and gift tax**

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

- (a) 4 per cent. on the net asset value exceeding, for each person, euro 1 million, if the beneficiary (or donee) is the spouse or a direct ascendant or descendant;
- (b) 6 per cent. on the net asset value exceeding, for each person, euro 100,000, if the beneficiary (or donee) is a brother or sister;
- (c) 6 per cent. if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree; and
- (d) 8 per cent. if the beneficiary is a person, other than those mentioned under (a), (b) and (c), above.

In case the beneficiary has a serious disability recognized by law, inheritance and gift taxes apply on its portion of the net asset value exceeding euro 1.5 million.

### **Tax monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided if, *inter alia*, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed euro 10,000.

## **EU Savings Tax Directive**

Under the EU Savings Tax Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over the time to 35 per cent., unless in the case of Luxembourg the beneficial owner of the interest payments opts for one of the two optional information exchange procedures available. The transitional period is to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States (including Switzerland), have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

### ***Implementation in Italy of EU Savings Tax Directive***

The EU Savings Tax Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs, financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of interest payments made to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information will be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

With reference to the definition of interest subject to the above described regime, Article 2, paragraph 1, lett. a, of mentioned Decree No. 84 of 18 April 2005, provides that it includes, *inter alia*: "*interest paid or credited, on accounts arisen from receivables of whatever nature, secured or not by mortgage (...), in particular interest and any other proceed, arising from public bonds and other bonds*".

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the EU Savings Directive in their particular circumstances.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Mediobanca – Banca di Credito Finanziario S.p.A. (the "**Arranger**"), Crédit Agricole Corporate and Investment Bank, Société Générale and UniCredit Bank AG (together with the Arranger, the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 14 November 2012 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 100 offerees:* at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive)

subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the Relevant Member State of the European Economic Area) and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### **Italy**

The offering of the Notes has not been registered with CONSOB or any other Italian regulatory authority pursuant to Italian securities legislation. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations, in any event in circumstances where an express exemption from the obligation to publish a prospectus applies.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, Legislative Decree No. 58 of 24 February 1998 and CONSOB Regulation No. 16190 of 29 October 2007 (in each case, as amended from time to time); and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### ***Limits on issuance of notes by Italian corporate issuers***

Article 2412 of the Italian Civil Code imposes limits on the total principal amount of Notes that an Italian joint stock company (*società per azioni*) such as the Issuer may have outstanding from time to time. Under current legislation, an Italian joint stock company (*società per azioni*) may issue Notes up to an aggregate amount representing double the sum of its paid up share capital, its legal reserves and its distributable reserves (the "**Issuing Limit**"). Notes which are issued by a third party but guaranteed by the company are taken into account for the purpose of calculating the aggregate amount of Notes issued by that company. However, the Issuing Limit does not apply, *inter alia*: (i) where such Notes have been or will be admitted to listing on a regulated market or on a multilateral trading facility; (ii) to Notes that confer the right to acquire or subscribe for shares; or (iii) to Notes issued above the Issuing Limit (the "**Exceeding Notes**") which are entirely subscribed at the time of issue by professional investors that are subject to regulatory supervision (*e.g.* banks, investment firms, "**SGRs**" and "**SICAVs**") (each a "**Primary Professional Investor**"). In the latter case, if the Exceeding Notes are sold on the secondary market to a person who is not a professional investor, the relevant seller (whether a Primary Professional Investor or a professional investor) guarantees the solvency of the Issuer to such purchaser of such Notes.



## Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*'investisseurs qualifiés'*), as defined in Articles L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

### The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet Inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (ii) in respect of the initial issue of Zero Coupon Note in definitive form to the first holders thereof, or (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Notes in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that

constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **General**

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### **Listing and admission to trading**

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Directive by the Central Bank in its capacity as competent authority in the Republic of Ireland for the purposes of the Prospectus Directive. Application has been made for Notes issued under the Programme to be listed on the official list of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange.

For the purposes of admitting Notes to trading on a regulated market in a member state of the European Economic Area other than the Republic of Ireland, the Central Bank may, at the request of the Issuer, send to the competent authority of another Member State of the European Economic Area: (i) a copy of this Base Prospectus; (ii) a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive; and (iii) if so required by the competent authority of such Member State, a translation into the official language(s) of such Member State of a summary of this Base Prospectus.

### **Authorisation**

The establishment and update of the Programme was authorised by a resolution of the board of directors of the Issuer dated 6 October 2010 and 9 November 2012, respectively. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the entering into of the relevant Intercompany Loans and related Deeds of Pledge relating to the Secured Notes in accordance with applicable provisions of Italian law and its By-Laws (*statuto*).

### **Legal and Arbitration Proceedings**

Save as disclosed in the section of this Base Prospectus headed "*Description of the Issuer – Legal proceedings*", there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

### **Significant/Material Change**

Since 31 December 2011, there has been no material adverse change in the prospects of the Issuer or of the Group, nor since 30 September 2012 has there been any significant change in the financial or trading position of the Issuer or of the Group.

### **Auditors**

The consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2011 and 2010 have been audited without qualification by Deloitte & Touche S.p.A. who has also issued a limited review report in relation to the Issuer's unaudited consolidated half-yearly financial statements as at and for the six months ended 30 June 2012 and 2011. Deloitte & Touche S.p.A., independent accountants, have given, and have not withdrawn, their consent to the inclusion of their reports in the information incorporated by reference in this Base Prospectus in the form and context in which they are included. The auditors of the Issuer have no material interest in the Issuer. Further information in respect of the auditors is set out in "*Description of the Issuer – Independent Auditors*" above.

### **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be physically inspected during normal business hours at the specified office of the Principal Paying Agent, namely:

- a) a copy of this Base Prospectus along with any supplements to this Base Prospectus;
- b) the By-Laws (*statuto*) of the Issuer;

- c) the Agency Agreement;
- d) the Trust Deed;
- e) the Dealer Agreement;
- f) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- g) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (save that, in the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders); and
- h) in the case of Secured Notes, the Intercreditor Agreement, any Deed of Pledge and any Intercompany Loan entered into on or prior to the issue date of the relevant Secured Notes.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Irish Stock Exchange's regulated market and each document incorporated by reference are available on the Irish Stock Exchange's website at [www.ise.ie](http://www.ise.ie).

#### **Financial statements available**

For so long as the Programme remains in effect or any Notes are outstanding, copies and, where appropriate, English translations of the latest annual consolidated financial statements of the Issuer and consolidated interim financial statements of the Issuer (if published) may be obtained during normal business hours at the specified office of the Principal Paying Agent.

#### **Material Contracts**

Save as disclosed in the section of this Base Prospectus headed "*Description of the Issuer – Material Contracts*", the Issuer has not entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to its ability to meet its obligations to Noteholders.

#### **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1 855 Luxembourg.

#### **Dealers transacting with the Issuer – Potential conflicts of interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the issuer's affiliates. Certain of the Dealers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers

and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term 'affiliates' includes also parent companies.

**Post-issuance Information**

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

**REGISTERED OFFICE OF THE ISSUER**

**SIAS S.p.A.**  
Via Bonzanigo, 22  
10144 Turin  
Italy

**ARRANGER**

**Mediobanca – Banca di Credito Finanziario S.p.A.**  
Piazzetta E. Cuccia, 1  
20121 Milan  
Italy

**DEALERS**

**Crédit Agricole  
Corporate and Investment Bank**  
9 Quai du President Paul Doumer  
92920 Paris La Défense Cedex  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**Mediobanca – Banca di Credito  
Finanziario S.p.A.**  
Piazzetta E. Cuccia, 1  
20121 Milan  
Italy

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Germany

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
Boulevard Konrad Adenauer, 1115 Luxembourg,  
Luxembourg

**LEGAL ADVISERS**

*To the Issuer as to Italian law:*

**Legance STUDIO LEGALE ASSOCIATO**  
Via Dante, 7  
20123 Milan  
Italy

*To the Dealers as to English and Italian law:*

**Clifford Chance Studio Legale**  
Piazzetta Bossi, 3  
20121 Milan  
Italy

*To the Trustee as to English law:*

**Clifford Chance**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

**AUDITORS TO THE ISSUER**

**Deloitte & Touche S.p.A.**  
Galleria San Federico, 54  
10121 Turin  
Italy