



AUTOSTRADA BRESCIA VERONA VICENZA PADOVA S.p.A.
(incorporated as a società per azioni under the laws of the Republic of Italy)

€600,000,000 2.375 per cent. Senior Secured Notes due 20 March 2020

The issue price of the €600,000,000 2.375 per cent. Senior Secured Notes due 20 March 2020 (the “Notes”) of Autostrada Brescia Verona Vicenza Padova S.p.A. (the “Issuer” or the “Company”) is 100 per cent. of their principal amount. The Notes constitute *obbligazioni* pursuant to Articles 2410 *et seq.* of the Italian Civil Code. The Notes will bear interest from and including the Issue Date (as defined below) at the rate of 2.375 per cent. *per annum*, payable in arrear on 20 March in each year, commencing on 20 March 2016, all as more fully described in “*Terms and Conditions of the Notes—Interest*”. Interest payments to certain Noteholders may be subject to Italian substitute tax (*imposta sostitutiva*) as more fully described in “*Terms and Conditions of the Notes—Taxation*” and “*Taxation—Italian Tax Treatment of the Notes*”.

Unless previously redeemed, repurchased or cancelled, the Notes will be redeemed at 100 per cent. of their principal amount on 20 March 2020. The Notes may be redeemed, in whole but not in part, at 100 per cent. of their principal amount plus interest, if any, to the date fixed for redemption at the option of the Issuer in the event of certain changes affecting taxation in the Republic of Italy. See Condition 6 (*Redemption and Purchase*). The Issuer may redeem all, but not some only, of the Notes at any time at a “make whole” premium. Noteholders will be entitled, following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes (the “Conditions”)) to request the Issuer to redeem such Notes at 101 per cent. of their principal amount together with any accrued and unpaid interest (if any), all as more fully described in Condition 6.3 (*Redemption and Purchase—Redemption at the Option of the Holders upon a Change of Control*).

The Notes will be secured on a senior secured basis by Security Interests (as defined in the Conditions) created pursuant to the following Security Documents (as defined in the Conditions): (i) a pledge over shares of the capital stock of the Issuer, other than the 19.5% of the Issuer’s capital stock that is already pledged to Cassa di Risparmio del Veneto S.p.A.; (ii) a “*privilegio speciale*” over movable present and future assets of the Issuer pursuant to Article 46, Paragraph 1-*bis* of Italian Legislative Decree No. 385 of 1 September 1993 as amended; (iii) a “*privilegio generale*” over movable present and future assets of the Issuer pursuant to Article 160 of Italian Legislative Decree No. 163 of 12 April 2006 as amended; (iv) a pledge over one or more bank accounts of the Issuer; and (v) any further security as from time to time determined by BNP Paribas Securities Services, Milan Branch (the “Security Agent”) (collectively, the “Transaction Security”).

In certain circumstances BNP Paribas Trust Corporation UK Limited (the “Trustee”) may exercise Step-In Rights (as defined in the Conditions), and designate a company or corporation to substitute the Issuer under the Concession Agreement (as defined in *Description of the Issuer—Overview*), as set out in Condition 3.4 (*Step-in Rights*).

This prospectus (the “Prospectus”) constitutes a prospectus for the purpose of Directive 2003/71/EC, as amended (including by Directive 2010/73/EU, to the extent that such amendments have been implemented in a relevant member state of the European Economic Area) (the “Prospectus Directive”). The Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive. The Central Bank only approves this 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. This Prospectus (together with the documents incorporated by reference herein) is available for viewing on the website of the Irish Stock Exchange.

Investing in the Notes involves risks. For a discussion of these risks, see “Risk Factors” beginning on page 1.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and are subject to United States tax law requirements. The Notes are being offered only outside the United States by the Joint Lead Managers (as defined herein) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “U.S. persons”, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of further restrictions on offers and sales of the Securities, see “*Subscription and Sale*”.

The Notes are expected to be rated BBB- (outlook stable) by Standard & Poor’s Credit Market Services Italy S.r.l. (“S&P”) and BB+ (outlook stable) by Fitch Italia S.p.A. (“Fitch”) on or about the Issue Date. Each of S&P and Fitch is established in the European Union and registered under Regulation (EC) No.1060/2009 (as amended) (the “CRA Regulation”) and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, supervision or withdrawal at any time by the assigning rating organization.**

The Notes will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 and will initially be in the form of a temporary global note (the “Temporary Global Note”), without interest coupons, which will be deposited on or around 20 March 2015 (the “Issue Date”) with a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) and, together with Euroclear, the “Clearing Systems”). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the “Permanent Global Note”), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification. The Temporary Global Note and the Permanent Global Note (each a “Global Note”) will be issued in new global note (“NGN”) form. Ownership of the beneficial interests in the Notes will be shown on, and transfers thereof will be effected through, records maintained in book-entry form by the Clearing Systems and their respective participants. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 with interest coupons attached. See “*Summary of Provisions Relating to the Notes in Global Form*”. Subject to the provisions contained in this Prospectus, the Notes are freely transferable.

Global Coordinators and Joint Lead Managers

Banca IMI

UniCredit Bank

Joint Lead Manager

Morgan Stanley

The date of this Prospectus is 19 March 2015

NOTICE TO INVESTORS

The Issuer has confirmed that this Prospectus contains all information regarding the Issuer and its subsidiaries (together with the Issuer, the “**Group**”) and the Notes which is material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect. The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Trustee (as defined herein) or any of Banca IMI S.p.A., UniCredit Bank AG and Morgan Stanley & Co. International plc (the “**Joint Lead Managers**”).

None of the Issuer or the Joint Lead Managers has authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Joint Lead Managers which constitute the final placement of the Notes contemplated in this Prospectus.

This Prospectus has not been submitted to the clearance procedure of CONSOB and may not be used in connection with the offering of the Notes in the Republic of Italy, its territories and possessions and any areas subject to its jurisdictions other than in accordance with applicable Italian securities laws and regulations, as more fully set out under “*Subscription and Sale*”.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus may only be used for the purposes for which it has been published. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered in the United States or to U.S. persons. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to U.S. persons except as permitted under applicable U.S. federal and state securities laws pursuant to a registration statement or an exemption from registration.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of this Prospectus.

This Prospectus is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference. This Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. See “*Documents Incorporated by Reference*”.

Neither the Joint Lead Managers nor the Trustee makes any representation or warranty, expressed or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers or the Trustee that any recipient of this Prospectus should purchase the Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuer’s business and the terms of the offering. Prospective investors should not consider any information contained in this Prospectus to be investment, legal, business or tax advice. Each prospective investor should consult its own counsel, business adviser,

accountant, tax adviser and other advisers for legal, financial, business, tax and related advice regarding an investment in the Notes.

Prospective investors should understand that they may have to bear the financial risks of their investment for an indefinite period of time.

The information set out in the sections of this Prospectus describing clearing arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg, in each case as currently in effect. If prospective investors wish to use the facilities of any of the Clearing Systems, they should confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such book-entry interests.

The language of this 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 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.

STABILISATION

In connection with the issue of the Notes, UniCredit Bank AG (the “Stabilising Manager”)(or any person acting for the Stabilising Manager) may over-allot Notes or effect transactions with a view to support the market price of the Notes at a level higher than that which might otherwise prevail in the open market. However, there can be no assurance that the Stabilising Manager (or any person acting on its behalf) 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 Notes is made and, if begun, may be discontinued at any time, but must end no later than the earlier of thirty (30) days after the issue of the Notes or sixty (60) days after the date of allotment of the Notes. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

MARKET SHARE INFORMATION AND STATISTICS

This Prospectus contains information and statistics which are derived from, or are based upon, the Issuer’s analysis of data obtained from public sources, including AISCAT (*Associazione Italiana delle Società Concessionarie per la costruzione e l’esercizio di Autostrade e Trafori stradali*) and ISTAT (*Istituto nazionale di Statistica*). Such information has been identified where used and reproduced accurately in this Prospectus and, as far as the Issuer is aware, no facts have been omitted which would render such reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Financial information included in the Prospectus

This Prospectus includes the audited financial statements of the Issuer as of 31 December 2014 and 2013, and for the years then ended.

The financial statements of the Issuer as of and for the year ended 31 December 2014 and 2013, and for the years then ended have been prepared by management in accordance with Italian GAAP and have been audited by KPMG S.p.A. Certain financial information of the Issuer for the year ended on 31 December 2014 prepared by the Issuer on a voluntary basis under IFRS has been included in this Prospectus, together with a table to show differences between financial information prepared in accordance with Italian GAAP and IFRS and a discussion of such differences (see “*Selected Financial Information*”). This Prospectus does not include

a qualitative or detailed quantitative reconciliation of financial information and related footnotes prepared in accordance with Italian GAAP and IFRS; accordingly, undue reliance should not be placed on the completeness of the reconciliation. Each prospective investor should consult its own professional advisers for an understanding of the differences between Italian GAAP and IFRS and how those differences might affect the financial information included in this Prospectus.

Except where otherwise indicated, financial information relating to the Issuer included in this Prospectus has been prepared in accordance with Italian GAAP.

Non-GAAP financial measures

This Prospectus contains certain non-GAAP financial measures, including Adjusted Revenues, EBITDA, EBIT and EBT.

“Adjusted Revenues” is defined as operating revenues, net of internal works capitalized, deducted of the toll surcharge paid to the Grantor pursuant to art. 1, paragraph 1020 of Law No. 296/2006 applicable to all motorway concession holders.

“EBITDA” is defined as profit before taxation, before deducting any net interest expense and extraordinary income/loss, and adding back depreciation, amortisation and provisions (*accantonamenti*).

“EBIT” is defined as profit before taxation and before deducting any net interest expense and extraordinary income/loss.

“EBT” is defined as profit before taxation.

It should be noted that these non-GAAP financial measures are not recognised as a measure of performance under Italian GAAP or IFRS and should not be recognised as an alternative to operating income or net income or any other performance measures recognised as being in accordance with Italian GAAP, IFRS or any other generally accepted accounting principles. These non-GAAP financial measures are used by management to monitor the underlying performance of the business and operations. These measures are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results. Since all companies do not calculate these measures in an identical manner, the Issuer’s presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on such data.

Unconsolidated financial statements

The Issuer is wholly owned by A4 Holding S.p.A., which is the parent company of the Issuer and its subsidiaries and, in that capacity, prepares consolidated financial statements. By reason of having a parent company that itself prepares consolidated financial statements, the Issuer was not and is not required to consolidate its financial statements. The Issuer will prepare consolidated annual financial statements when required by laws or regulation applicable to the Issuer or the Terms and Conditions (see Condition 9.13 “*Covenants—Consolidated and Unconsolidated Subsidiaries*”).

FORWARD LOOKING STATEMENTS

This Prospectus may contain certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer’s and the Group’s business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words “believe”, “expect”, “project”, “anticipate”, “seek”, “estimate”, “aim”, “intend”, “plan”, “continue” or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

Any forward-looking statements are only made as of the date of this Prospectus, and the Issuer does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Prospectus. Many factors may cause the Issuer's or the Group's results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

The risks described under "*Risk Factors*" in this Prospectus are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect the Issuer's and the Group's results of operations, financial condition, liquidity and the development of the industries in which they operate. New risks can emerge from time to time, and it is not possible for the Issuer to predict all such risks, nor can the Issuer assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results.

CERTAIN DEFINED TERMS

References to the “**Issuer**” are to Autostrada Brescia Verona Vicenza Padova S.p.A.; references to the “**Group**” are to the Issuer and its subsidiaries taken as a whole.

References to the “**Joint Lead Managers**” are to Banca IMI S.p.A., UniCredit Bank AG and Morgan Stanley & Co. International plc.

References to the “**Trust Deed**” are to the trust deed constituting the Notes dated on or about the Issue Date (as defined herein) between the Issuer and BNP Paribas Trust Corporation UK Limited in its capacity as trustee, and references to the “**Trustee**” are to BNP Paribas Trust Corporation UK Limited.

References to “**€**” or “**Euro**” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended.

Except where otherwise indicated, references to “**IFRS**” in this Prospectus are to International Financial Reporting Standards as adopted by the European Commission, which are those required to be used by companies listed on regulated markets in the European Union.

Except where otherwise indicated, references to “**Italian GAAP**” in this Prospectus are to the Italian laws and regulations governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the *Organismo Italiano di Contabilità*.

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THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Terms and Conditions of the Notes” section of this Prospectus contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer	Autostrada Brescia Verona Vicenza Padova S.p.A., a joint stock company (<i>società per azioni</i>) organised under the laws of the Republic of Italy (the “ Issuer ”).
Notes Offered	€600,000,000 aggregate principal amount of 2.375 per cent. senior secured Notes due 20 March 2020.
Maturity Date	The Notes will mature on 20 March 2020.
Interest	The Notes will bear interest at a rate of 2.375 per cent. <i>per annum</i> .
Issue Price	100 per cent. of the principal amount of the Notes
Interest Payment Date	Interest on the Notes will be payable annually in arrear on 20 March of each year, beginning on 20 March 2016.
Ranking	<p>The Notes and the Coupons are direct, unconditional obligations of the Issuer which are secured in the manner provided in Condition 3 (<i>Negative Pledge and Transaction Security</i>) and rank and will rank <i>pari passu</i>, without any preference among themselves and at least <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p> <p>See “<i>Terms and Conditions of the Notes</i>”.</p>
Redemption at the Option of the Issuer	<p>The Issuer may redeem all, but not some only, of the Notes at any time by paying a redemption price per Note equal to the greater of:</p> <ul style="list-style-type: none">(i) 100 per cent. of the nominal amount of the Note;(ii) as determined by certain reference dealers, the sum of the then current values of the remaining scheduled payments of principal and interest on the Note (not including any interest accrued on the Note to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the rate indicated by the reference dealers, <p>plus, in each case, any interest accrued on the Notes to, but excluding, the relevant redemption date.</p>
Tax Redemption	The Issuer may redeem the Notes, in whole but not in part, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, if the Issuer would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. See “ <i>Terms and Conditions of the Notes—Redemption for Taxation Reasons</i> ”.

Change of Control Upon the occurrence of a Change of Control Put Event at any time, the Issuer will have to offer to Noteholders to redeem all the Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. See “*Terms and Conditions of the Notes—Redemption at the Option of the Holders upon a Change of Control*”.

Redemption upon Termination Value Payment The Issuer will redeem the Notes at their principal amount together with any accrued and unpaid interest until the date of the redemption after receipt by the Issuer or any of its Subsidiaries (or by any person on its or their behalf) of any Termination Value Payment. See “*Terms and Conditions of the Notes—Redemption upon Termination Value Payment*”.

Covenants The Terms and Conditions and the Trust Deed will, among other things, restrict the ability of the Issuer to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends or make other distributions on, redeem or repurchase capital stock;
- make certain restricted investments;
- prepay or redeem subordinated debt;
- create or incur certain liens;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any of the Group;
- sell, lease or transfer certain assets including stock of any of the Group;
- merge or consolidate with other entities; and
- enter into certain transactions with affiliates.

In addition, the Issuer will provide to the Trustee and to holders of the Notes annual reports of the Issuer.

These covenants are subject to important exceptions and qualifications. See “*Terms and Conditions of the Notes—Covenants*.”

Financial Covenants The Terms and Conditions and the Trust Deed provide for the Issuer to comply with the following financial covenants:

- limitation for the Issuer and its Consolidated Subsidiaries to incur additional Indebtedness (other than Permitted Indebtedness) if on the date of the incurrence of such additional Indebtedness the ratio of Termination Value to Net Debt relating to the most recently ended Relevant Period is less than 1.20 to 1.00, determined on a *pro forma* basis (each term as defined in the “*Terms and Conditions of the Notes*”);

- limitation for the Issuer and its Consolidated Subsidiaries to make certain payments to their shareholders if the Fixed Charge Coverage Ratio for the most recently ended Relevant Period was less than (A) 3.60:1.00 at any time prior to the Valdastico Nord Works Commencement and (B) 1.80:1.00 at any time thereafter (each term as defined in the “*Terms and Conditions of the Notes*”).

These covenants are subject to important exceptions and qualifications. See “*Terms and Conditions of the Notes—Covenants*.”

Use of Proceeds	The net proceeds of the issue of the Notes, expected to amount to approximately Euro 591,600,000, will be used by the Issuer to (i) refinance existing indebtedness of the Issuer (€465 million), (ii) pay certain transaction fees and expenses and (iii) fund certain capital expenditures of the Issuer.
Forms and Denomination	The Issuer will issue the Notes on the Issue Date in global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €99,000 maintained in book-entry form. Notes in denominations of less than €100,000 will not be available.
Transfer Restrictions; Absence of a Public Market for the Notes	The Notes have not been registered under the U.S. Securities Act and thus are subject to restrictions on transferability and resale. The Issuer cannot assure investors that a market for the Notes will develop or that, if a market develops, the market will be a liquid market. The Joint Lead Managers have advised the Issuer that they currently intend to make a market in the Notes. However, the Joint Lead Managers are not obligated to do so and any market making with respect to the Notes may be discontinued without notice. See “ <i>Subscription and Sale</i> ”.
Listing	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.
Trustee	BNP Paribas Trust Corporation UK Limited
Security Agent	BNP Paribas Securities Services, Milan Branch
Principal Paying Agent	BNP Paribas Securities Services, Luxembourg Branch
Listing Agent	BNP Paribas Securities Services, Luxembourg Branch
Governing Law of the Notes and the Trust Deed	English law
Governing Law of the Security Documents	Italian law

Risk Factors

Investing in the Notes involves substantial risks. Please see the “*Risk Factors*” section for a description of certain of the risks you should carefully consider before investing in the Notes.

Additional Information

The Issuer's registered offices are located at Via Flavio Gioia 71, 37135, Verona, Italy. Its telephone number is 0039 045 8272304.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies that 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 the Notes are also described below.

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

In addition, the sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the scope of the potential consequences on the business, financial condition or results of operations of the Issuer.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and carefully assess whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances, based upon their own judgment and upon advice from such financial, legal and tax advisers as they consider necessary.

Words and expressions defined in “Terms and Conditions of the Notes” or elsewhere in this Prospectus have the same meaning when used in this section. References to a “Condition” are to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read this Prospectus in its entirety.

Factors That May Affect the Ability of the Issuer to Fulfil Its Obligations under the Notes

Risks Relating to the Business of the Issuer

The Issuer is dependent on the Concession Agreement, which accounts for substantially all of the Issuer’s revenues and is due to expire on 31 December 2026 unless terminated early

The Issuer derives its revenues through motorway activities carried out in accordance with the Concession Agreement granted by the Grantor (as defined in “*Description of the Issuer—Overview*”) for the construction and operation of the Motorway Assets (as defined in “*Description of the Issuer—the Motorway Assets*”).

Revenues generated from motorway activities and royalties deriving from the other activities conducted on the basis of the Concession Agreement (as defined in “*Description of the Issuer—Overview*”) represent virtually all of the Issuer’s revenues. Therefore, the ability of the Issuer to meet its debt service obligations under the Notes is highly dependent on the Concession Agreement.

Upon the expiry of the Concession Agreement, which is due on 31 December 2026, the network and related infrastructures included in the Motorway Assets which are the subject matter of the Concession Agreement must be transferred in excellent condition (*ottimo stato di conservazione*) to the entity that replaces the Issuer as holder of the concession (the “**New Concessionaire**”) or, if the concession is not awarded to a New Concessionaire, returned to the Grantor.

Upon the expiry of the Concession Agreement, (i) in all cases the Issuer shall retain A4/A31 Operational Control (as defined in the Terms and Conditions of the Notes) until the Motorway Assets are handed over to the New Concessionaire or the Grantor; (ii) the Issuer shall be entitled to receive payment of the Termination Value (as defined in “*Description of the Issuer—Business and Operations of the Issuer*”) equal to the actual expenditure, net of amortisation/depreciation, for the transferable assets that have not yet been fully amortised/depreciated as per the financial statements as at and for the year ended 31 December of the year in which the Concession Agreement expires; (iii) such Termination Value shall be paid by the New Concessionaire upon the handover of the Motorway Assets or, if the concession has not been awarded to a New Concessionaire after 24 months from the expiration of the Concession Agreement, by the Grantor. In each case the Issuer shall maintain A4/A31 Operational Control of the Motorway Assets until such time as the applicable Termination Value is paid.

There are a number of events which may lead to early termination of the Concession Agreement (see “*Description of the Issuer—Material Contracts—Expiry or early termination of Concession*”), such as:

(1) forfeiture of the Concession Agreement due to a failure by the Issuer to perform its obligations thereunder; (2) revocation of the Concession Agreement for public interest reasons and early termination of the Concession Agreement for non-performance by the Grantor of its obligations thereunder and applicable laws; and (3) withdrawal by the Grantor from the Concession Agreement.

Furthermore, pursuant to the Code of Public Contracts (as defined in “*Description of the Issuer—Projects under construction*”), the Issuer has the right to withdraw from the Concession Agreement, among other reasons, in the event of unsatisfactory revision by the Grantor of the Regulatory Plan (as defined in “*Description of the Issuer—Business and Operations of the Issuer*”) due to variations to the assumptions or to the conditions underlying the economic and financial viability of the Concession Agreement or in the event of a change in law establishing a new mechanisms for tariffs or that affects the PEF balance (as defined in section “*Description of the Issuer—Business and Operations of the Issuer*”). In case of such withdrawal by the Concessionaire, the Issuer is entitled to receive the Termination Value as well.

Early termination of the Concession Agreement could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

The Concession Agreement may be terminated early due to forfeiture (decadenza) of the Concession Agreement as a consequence of the Issuer’s failure to perform its obligations thereunder

Forfeiture of the Concession Agreement may occur, following failure to remedy any breaches within specific remedy periods and in accordance with processes established therein, as a consequence of the Issuer’s failure to perform certain obligations as provided in the Concession Agreement. Such obligations include the payment of the annual fee (*canone concessorio*) due to the Grantor pursuant to the Concession Agreement, the completion of works for projects still to be completed (see “*Description of the Issuer—Projects under construction*”), the performance of ordinary and extraordinary maintenance on the Motorway Assets, improvement works, the implementation of safety measures on the Motorway Assets and certain negative and restrictive covenants contained therein (see “*Description of the Issuer—Material Contracts—The Concession Agreement*”).

In addition, forfeiture of the Concession Agreement initiated by the Grantor may occur as result of extraordinary transactions (such as mergers, de-mergers, partial transfers of concern, sale of the controlling interest in the Issuer) taking place without the prior approval of the Grantor (see “*Description of the Issuer—Material Contracts—Termination of the Concession Agreement due to the Issuer’s default*”).

While the noteholders will benefit from Step-in Rights (as defined in “*Terms and Conditions of the Notes—Condition 3.4 (Step-in Rights)*”) there is no certainty that such exercise in Step-in Rights would effectively prevent forfeiture of the Concession Agreement. See “*Terms and Conditions of the Notes—Condition 3.4 (Step-in Rights)*”.

In the event of forfeiture of the Concession Agreement: (i) the Issuer is obliged to continue the ordinary management of the Motorway Assets until these assets are transferred to the New Concessionaire or handed back to the Grantor; (ii) from the date of the communication of said forfeiture, all revenues from the operation of the Motorway Assets shall inure to the benefit of the Grantor, whereas the Issuer will be reimbursed solely for the ordinary operating costs that the Grantor has authorised in advance; (iii) the Issuer shall be entitled to receive payment of a Termination Value (as defined in “*Description of the Issuer—Business and Operations of the Issuer*”) consisting of a sum equal to the carrying amount, net of accumulated amortisation/depreciation and write-downs, as certified by the audit company selected jointly by both parties or, if they cannot agree, by the Grantor, net of penalties and sanctions incurred by the Issuer and not yet paid; (iv) the Termination Value, as described above, shall be paid by the New Concessionaire upon the handover of the Motorway Asset or by the Grantor upon the hand back to the Grantor.

In addition, in the event the Concession Agreement is forfeited, payment of the Termination Value (net of sanction and penalties) to the Issuer may be made in instalments across the period from the date on which forfeiture occurs to the date on which the Concession Agreement would have expired had it not been terminated early. Therefore, there could be delays between the termination date of the Concession Agreement and the date on which the Termination Value is paid to the Issuer.

The forfeiture of the Concession Agreement and resulting uncertainty regarding the timing of receipt or the net amount of any Termination Value could have a material adverse effect on the Issuer's business, financial condition and results of operations. See "*Description of the Issuer—Material Contracts—The Concession Agreement*".

The Concession Agreement may be revoked for reasons of public interest. The Concession Agreement may be terminated early if the Grantor fails to perform its obligations under the Concession Agreement

In accordance with general principles of Italian law, the Concession Agreement could be revoked by the Grantor before its natural expiry for public interest reasons.

The Concession Agreement may also be terminated by the Issuer due to the Grantor's non-performance of the obligations under the Concession Agreement and applicable laws, provided such non-performance has been ascertained in accordance with the procedure set out in the Concession Agreement (see "*Description of the Issuer—Material Contracts—The Concession Agreement*").

In the case of revocation of the Concession Agreement due to public interest reasons or termination thereof for non-performance by the Grantor of its obligations under the Concession Agreement and applicable laws: (i) the Issuer shall continue to operate and maintain the Motorway Assets until the Termination Value has been paid; (ii) the Issuer shall retain A4/A31 Operational Control (as defined in the "*Terms and Conditions of the Notes—Definitions and Interpretation*") until the Motorway Assets are handed over to the Grantor; (iii) the Issuer shall be entitled to receive payment of the Termination Value (as defined in "*Description of the Issuer—Business and Operations of the Issuer*") consisting of: (a) the value of the works performed, net of amortisation/depreciation, or if the works have not yet passed inspection, the costs actually incurred by the Issuer, (b) the penalties and other costs incurred or to be incurred as a result of the termination, and (c) an indemnity for lost profit, equal to 10% of the works yet to be performed or the portion of the service yet to be provided, based on the Regulatory Plan; and (iv) the Termination Value shall be paid by the Grantor upon handover of the Motorway Asset.

In addition, there could be delays between the termination date of the Concession Agreement and the date on which the Termination Value is paid to the Issuer.

As a result, the revocation of the Concession Agreement for public interest reasons or its termination due to the Grantor's failure to perform its obligations thereunder and the resulting uncertainty regarding the timing of receipt of any Termination Value payment could have a material adverse effect on the Issuer's business, financial condition or results of operations.

The Concession Agreement may be terminated early if the Grantor exercises its withdrawal rights

Pursuant to the Concession Agreement, the Grantor has the right to withdraw from the Concession Agreement at any time. The right to withdraw is subject to payment of the Termination Value (as defined in "*Description of the Issuer—Business and Operations of the Issuer*").

In the case of withdrawal by the Grantor (a) the Issuer shall be entitled to receive the payment of the Termination Value (as defined in "*Description of the Issuer—Business and Operations of the Issuer*") consisting of (i) the value of the works already carried out, (ii) the value of the raw materials for the works which are under construction and (iii) one tenth of the amount of the works not carried out yet; (b) the Termination Value shall be paid by the Grantor upon withdrawal by the Grantor; (c) the Issuer shall continue to operate and maintain the Motorway Assets until the Termination Value has been paid; (d) the Issuer shall retain A4/A31 Operational Control (as defined in "*Terms and Conditions of the Notes—Definitions and Interpretation*") until the Motorway Assets are handed over to the Grantor.

In addition, there could be delays between the termination date of the Concession Agreement and the date on which the Termination Value is paid to the Issuer.

The Grantor's withdrawal from the Concession Agreement and resulting uncertainty regarding the timing of receipt of any Termination Value could adversely impact the Issuer's ability to repay the Notes as scheduled.

The Concession Agreement may terminate early if the Valdastico Nord final project is not approved

For a description of the Valdastico Nord motorway and the status of the approval procedure of the final project by the competent authorities, see “*Description of the Issuer—Business and Operations of the Issuer—The A31 Valdastico Nord project*”.

In the event that the final project of the A31 Valdastico Nord is not approved by 30 June 2015 the Issuer can request, pursuant to Article 143 of the Public Procurement Code, a revision of the Regulatory Plan. Failure by the parties to agree on the terms of the revision may ultimately result in early expiry of the Concession Agreement.

While the Termination Value must be paid to the Issuer whenever the Concession Agreement terminates early, it is not possible at this stage to identify the category of early termination set forth by the Concession Agreement which would apply to this situation, and therefore the period within which the Termination Value must be paid in the event of its early termination.

The early expiry of the Concession Agreement described above and the resulting uncertainty regarding the timing of receipt of any Termination Value could have a material adverse effect on the Issuer’s business, financial condition and results of operations. See “*There may be uncertainty over the amount of the Termination Value due to the Issuer on termination of the Concession Agreement*”.

There may be uncertainty over the amount of the Termination Value due to the Issuer on termination of the Concession Agreement

The terms of the Concession Agreement provide that in case of all termination events under the Concession Agreement, the Issuer would be entitled to receive payment of the Termination Value, the amount of which, however, varies depending on whether the Concession is terminated: (i) on the scheduled expiration date of the Concession Agreement; (ii) due to forfeiture (*decadenza*) of the Concession Agreement as a consequence of the Issuer’s failure to perform its obligations thereunder; (iii) for public interest reasons or due to the Grantor’s failure to perform its obligations thereunder; (iv) as a consequence of the Grantor exercising its withdrawal rights; or (v) as a consequence of the Issuer exercising its withdrawal rights. See “*The Issuer is dependent on the Concession Agreement, which accounts for substantially all of the Issuer’s revenues and is due to expire on 31 December 2026 unless terminated early*”, “*The Concession Agreement may be terminated early due to forfeiture (decadenza) of the Concession Agreement as a consequence of the Issuer’s failure to perform its obligations thereunder*”, “*The Concession Agreement may be revoked for public interest reasons. The Concession Agreement may be terminated early if the Grantor fails to perform its obligations under the Concession Agreement*” and “*The Concession Agreement may be terminated early if the Grantor exercises its withdrawal rights*”. The Grantor would have the right to set off any loss suffered or costs incurred by it as a consequence of the termination against the Termination Value.

The different language of the provisions of the Concession Agreement concerning the calculation of the Termination Value in the above mentioned cases may be subject to different legal interpretations and accordingly may lead to disputes and delay in the related payments.

Although the Concession Agreement specifies the timing of payment of the Termination Value in relation to certain termination events, there could be delays between the termination date of the Concession Agreement and the date on which the relevant payment is received by the Issuer, notwithstanding the fact that the Issuer will continue to maintain the Operational Control of the Motorway Assets until the receipt of the Termination Value payment.

Penalties or sanctions for non-performance under the Concession Agreement, or suspension of tariff increases may adversely affect the financial results and operations of the Issuer

The Issuer may be subject, in the event of breaches or non-performance of its obligations under the Concession Agreement, to penalties or sanctions and/or the suspension of tariff increases (see “*Description of the Issuer—Material Contracts—The Concession Agreement*”).

The Grantor is also entitled to suspend the annual tariff increase in any year in the event of material and continuing non-compliance by the Issuer with the terms of the Concession Agreement, subject to notification being given by 30 June of the relevant year.

Pursuant to the Concession Agreement: (i) administrative financial penalties are capped, on an annual basis, at 10% of the annual turnover of the Issuer; and (ii) penalties in the event of non-completion or inadequate completion of the works (for each of the projects set out in the Concession Agreement) where the Issuer is at fault shall be equal to 25% of the value of the works as ascertained at the time of the breach.

Sanctions from Euro 25,000 to Euro 150,000,000 may be applied by the MIT pursuant to Article 2, paragraph 86, subparagraph d), of Law Decree No. 262 of 2006, converted into law by Law No. 286 of 2006, in the event that a concessionaire breaches the obligation (set out in Article 253, paragraph 25, of the Code of Public Contracts, as amended) to subcontract to third parties not less than 40 % and, as of 1 January 2014, 60% of the works subject matter of the concession (See “*Description of the Issuer—Regulatory*” and “*Description of the Issuer—Legal Proceedings—Administrative proceedings between the Issuer and the Grantor*”).

Penalties, sanctions or the suspension of tariff increases, could have a material adverse effect on the Issuer’s business, financial condition and results of operations. See “*Description of the Issuer—Material Contracts—The Concession Agreement*” and “*Description of the Issuer—Legal Proceedings—Administrative proceedings between the Issuer and the Grantor*”.

Reduced traffic volumes and corresponding decreases in toll revenues and royalty revenues could adversely affect the Issuer’s revenues and profitability

The Issuer derives virtually all of its revenues from tolls paid by users of its Motorway Assets and from royalty payments derived from service area subcontracts for full-service petrol stations (“**Oil services**”) and self-service mini-markets and offerings of food and beverages (“**Non-Oil services**”) on the Motorway Assets. The aggregate amount of these revenues is dependent primarily on traffic volumes and tariffs applied on the Motorway Assets. Royalty payments may be influenced in part by the traffic on the Motorway Assets since royalties are calculated for the majority of sub-contracts as a percentage of the revenues generated by Oil and Non-Oil services subcontracted to third parties.

In turn, traffic volumes and toll receipts depend on a number of factors, which are only partially under the control of the Issuer. These factors include the quality, convenience and travel time on toll-free roads, the quality and state of repair of the Issuer’s Motorway Assets, significant traffic congestion, and/or the existence of alternative means of transportation. Furthermore, the economic climate and petrol prices in Italy, environmental legislation (including measures to restrict motor vehicle use in metropolitan areas order to reduce air pollution) and weather conditions may result in a decrease in motorway traffic. Long haul traffic (i.e. traffic on journeys lasting 300 or more kilometers and which typically relate to the transport of commercial goods or other business-related activities) is particularly adversely impacted by negative macroeconomic trends.

Notwithstanding the mechanism within the Concession Agreement which seeks to establish the financial equilibrium, irrespective of the actual traffic volumes, over the remaining period of the Concession Agreement, (see “*Description of the Issuer—Material Contracts—Rebalancing of the Concession Agreement*”) there can be no assurance that traffic volumes will not decrease, and any such effect on traffic volumes could have a material adverse impact on the Issuer’s short term financial condition and results of operations.

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

The Italian motorway sector is governed by EU, Italian and local laws and regulation as well as by the terms of the concessions granted to each relevant concession holder.

Changes in laws and regulations which affect the motorway sector or certain aspects of the relevant concessions (such as the tariff formula or activities required to be performed under a concession) may adversely impact the economic or financial position of a concessionaire.

Changes in Italian government policy with respect to motorway concession agreements, construction and related government grants can significantly affect the Issuer’s results of operations. There can be no assurance that future tariff adjustments will enable the Issuer to generate adequate revenues or that its results

of operations will not be materially adversely affected by future limitations on tariff adjustments or regulations.

The Update to the Regulatory Plan may not be approved or the economic conditions of the Regulatory Plan might not be confirmed

On the date of this Prospectus, the Issuer has yet to receive approval from the CIPE (as defined in “*Business Description of the Issuer—The Motorway Assets*”) of the Update of the Regulatory Plan (as defined in “*Description of the Issuer—Business and Operations of the Issuer*”) which is the last substantive step in the relevant approval process (for further details on such approval procedure see “*Description of the Issuer—Regulatory*”).

There can be no assurance that the Update of the Regulatory Plan will in fact be approved by the CIPE, or that it will be approved in its current form. Consequently, there can be no assurance that the economic conditions (including tariff levels and the Weighted Average Costs of Capital (“**WACC**”)) currently set out in the Update of the Regulatory Plan will in fact be confirmed on approval by the CIPE.

In addition, the Regulatory Plan will be subject to revision upon the approval of the final project of Valdastico Nord. There can be no assurance that the economic conditions (including tariff levels and the WACC) from time to time set out in the Regulatory Plan will be confirmed upon the approval of the final project of the Valdastico Nord.

Finally, the Regulatory Plan is subject to revision every five years. There can be no assurance that the economic conditions (including tariff levels and the WACC) set out in the applicable Regulatory Plan from time to time will be confirmed upon the five year revision of the Regulatory Plan.

A failure by CIPE to approve the Regulatory Plan, or to confirm the economic conditions set out therein, could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

Tariff increases may not be in line with the Issuer’s expectations or requirements and delays may occur in obtaining increases

The current tariff mechanism, in addition to inflation, takes in account two key components. One of these components is set out under the Regulatory Plan (the “**X Component**”), which is subject to review every five years. The other component is linked to new investments made by the Issuer each year (the “**K Component**”). See “*Description of the Issuer—Calculation of motorway toll tariffs*” for further details on the tariff increase mechanism. Due to a number of reasons, such as lengthy negotiations with the Grantor or public pressure to resist tariff increases, there may be delays in the application of the tariff as set forth in the tariff formula under the Regulatory Plan. Therefore tariff increases might not be in line with the Issuer’s expectations or requirements.

The Issuer may not be able to implement the Regulatory Plan, including the Valdastico Nord project, within the timeframe and budget expected and the Issuer may not be able to recoup certain cost overruns

The Concession Agreement requires the Issuer to carry out significant investment projects. The main investment projects yet to be completed are the remaining stretch of the Valdastico Sud motorway (Section C of the Motorway Assets as defined in “*Description of the Issuer—The Motorway Assets*”) and the Valdastico Nord (Section D of the Motorway Assets as defined in “*Description of the Issuer—The Motorway Assets*”).

The Regulatory Plan will include estimated costs and grants for the Valdastico Nord construction works and the completion of, *inter alia*, Valdastico Sud. Actual costs may exceed the estimates set out in the Regulatory Plan, which is still to be approved, due to risks inherent in construction projects, including:

- delays in obtaining regulatory approvals (including, but not limited to, complying with environmental requirements and planning approvals at national and local governmental levels) (see “*The Concession Agreement may be terminated early if the Issuer fails to obtain approval of the Valdastico Nord final project*”);
- delays in obtaining approvals required for tariff increases sufficient to fund the project;
- delays in the tender procedures for granting the works for Valdastico Nord to contractors;

- changes in general economic, business and credit conditions;
- the non-performance or unsatisfactory performance of contractors and subcontractors;
- the commencement of bankruptcy proceedings with respect to contractors and reopening of public tender procedures;
- interruptions resulting from litigation, inclement weather, revocation of approvals or additional requests from local authorities;
- interruptions and delays resulting from unforeseen environmental or engineering problems;
- shortages of materials and labour and increased costs of materials and labour;
- claims from subcontractors; and
- expropriation procedures.

There can be no assurance that the Issuer's cost and time of completion estimates for these projects will be accurate, particularly in respect of the Valdastico Nord project, which is in the preliminary stages of planning. The Issuer may be subject to cost overruns and may therefore request from the Grantor a revision of the Regulatory Plan to recover the cost overruns actually incurred. There can be no assurance that the parties will in fact agree on the revision of the Regulatory Plan and it is not possible to establish the outcome and impact this may have on the Concession Agreement and the business of the Issuer.

Consequently, failure to complete projects within the planned timeframe and/or budget may have a material adverse effect on the Issuer's results of operations or financial condition or on the Concession Agreement. See "*Description of the Issuer—Material Contracts—The Concession Agreement*".

The Issuer may be unable to complete construction works in a timely manner and may experience cost overruns due to technical and geological issues, archaeological finds and NIMBY protests

During construction works the Issuer may encounter unexpected difficulties of a technical nature or issues resulting from adverse geological conditions, archaeological finds or local residents' opposition.

As regards geological conditions, the Issuer may be required to take additional mitigating measures during construction works and the related costs might not be included in the approved Regulatory Plan during construction works due to unexpected technical engineering issues (in particular with respect to tunnels) in areas affected by significant geological and geotechnical issues, including unexpected landslides, not initially foreseen or foreseeable in the planning phase. Measures to monitor any geological instability from excavations, changes to approved construction projects and reimbursement or indemnification with respect to damage caused to real property may result in additional costs. Furthermore, to the extent that unexpected geological issues were deemed to have occurred as a result of violations of applicable laws and regulations, the Issuer and its employees could be held liable.

Unexpected archaeological finds during construction works may result in the interruption or suspension of such works upon request from the relevant authorities. Depending on the decisions and measures taken by such authorities, the Issuer may not be able to complete one or more of the projects contemplated under the Concession Agreement as scheduled or may be required to modify the original projects and re-obtain approvals in order to restrict interference with such archaeological finds.

Residents and local communities may oppose new developments, including highways, on the grounds that such developments may generate pollution or otherwise cause adverse effects on health and the environment. Such opposition may take the form of protests and/or public opposition to the expropriation of the land needed for such developments (also known as "not-in-my-backyard" or "NIMBY" protests). The occurrence of any such NIMBY protests during the approval process of new construction projects could lead to significant delays, increases in investment costs and potentially legal proceedings. See "*Description of the Issuer—Legal Proceedings*".

Any failure to complete construction projects within the planned timeframe and/or budget due to such unexpected circumstances or the need, due to unexpected technical, geological, archaeological or engineering

issues, to carry out additional mitigating measures where the associated costs are not included in the approved Regulatory Plan and may have a material adverse effect on the Issuer's results of operations or financial condition.

Furthermore, the delayed completion of the required infrastructures may result in the delayed opening of the motorway section to traffic and consequently in a delay in planned incremental toll revenues.

The Issuer may experience significant cost overruns due to contaminated soil and expenses related to waste disposal during construction

During the construction of motorway sections, the Issuer may encounter unexpected environmental issues such as the discovery of contaminated soil not identified by the analysis of soil samples and investigations conducted during the planning phase, which may result in the violation of environmental laws and regulations. As a result, the Issuer may be required to commence new authorisation procedures and may be subject to lengthy legal and administrative proceedings. Failure to complete construction projects within the planned timeframe and/or budget may have a material adverse effect on the Issuer's results of operations or financial condition.

The Issuer depends on subcontractors and other third parties to perform its obligations under the Concession

Much of the work performed pursuant to the Issuer's obligations under the Concession Agreement is performed by third-party subcontractors. The Issuer's inability to hire qualified subcontractors could lead to a breach of its obligations under the Concession Agreement, regardless of whether the matter was within the Issuer's control. Furthermore, if a subcontractor fails to provide timely or adequate services, as required under a contract for any reason, the Issuer may be required to source such services at a higher price than anticipated. Although contracts with subcontractors generally provide for indemnification to cover their failure to perform their obligations satisfactorily, such indemnification may not fully cover the Issuer's financial losses in attempting to mitigate their failures and fulfill the Issuer's obligations under the Concession. These risks are compounded during the current economic downturn as subcontractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations and therefore may not be able to provide the Issuer with the contracted services. In addition, a failure by a subcontractor to comply with applicable laws, rules or regulations could result in the Issuer facing penalties, sanctions or even the early termination of the Concession Agreement. Any such failure by a third-party subcontractor could have a material adverse effect on the Issuer's business, financial condition and results of operations. See "*Description of the Issuer—Issuer's Strengths*".

Eurozone financial crisis

Since the second half of 2007, disruptions in the global credit markets have created increasingly difficult conditions in the financial markets. These conditions have resulted in decreased liquidity and greater volatility in global financial markets, and continue to affect the functioning of financial markets and to impact the global economy. In Europe, despite measures taken by several governments, international and supranational organisations and monetary authorities to provide financial assistance to Eurozone countries in economic difficulty and to mitigate the possibility of default by certain European countries on their sovereign debt obligations, concerns persist regarding the debt and/or deficit burden of certain Eurozone countries, including the Republic of Italy, and their ability to meet future financial obligations, given the diverse economic and political circumstances in individual member states of the Eurozone. It remains difficult to predict the effect of these measures on the economy and on the financial system, how long the crisis will exist and to what extent the Issuer's business, results of operations and financial condition may be adversely affected.

As a result, the Issuer's ability to access the capital and financial markets and to raise debt to meet its financial requirements may be adversely impacted if the costs of financing should significantly increase. Furthermore, financial crisis in the Eurozone countries may have a negative effect on the volume of traffic on toll roads.

The above circumstances could materially and adversely affect the business, results of operations and financial condition of the Issuer with a consequent adverse effect on the market value of the Notes and the Issuer's ability to meet its obligations under the Notes.

Competition from the development or improvement of alternative motorway stretches or networks or of alternative means of transportation, including high speed rail networks, may decrease traffic volumes on the motorways operated by the Issuer or limit the Issuer's ability to expand its network, thereby adversely affecting the Issuer's revenues and growth

Other motorway operators may obtain concessions and develop other stretches of highway or alternative networks along the same transportation routes covered by the Motorway Assets or may develop facilities along such alternative networks or routes for different modes of transport. Such competition may lead to decreased traffic volumes on the Motorway Assets or limit the Issuer's ability to expand the Motorway Assets.

Moreover, with respect to long haul traffic, the Issuer faces competition from alternative forms of transportation, such as high speed rail and air travel. There can be no assurance that the market share of such alternative forms of transportation will not increase (see "*Description of the Issuer—Competition*"). Increased competition for traffic could reduce traffic on the Motorway Assets and, consequently, the Issuer's revenues.

The interruption of service on the Issuer's Motorway Assets and the lack of appropriate insurance coverage could adversely affect the Issuer's revenues, results of operations and financial condition

The service provided on the Issuer's motorways may be interrupted due to labour unrest, natural disasters, such as earthquakes, flooding, landslides or subsidence, collapse or destruction of sections of motorway, man-made disasters such as fires, acts of terrorism or the spillage of hazardous substances, as well as from interruptions of service due to events beyond its control such as accidents, breakdown of equipment and malfunctioning of control systems.

The occurrence of any such events could lead to a significant decline in toll revenue from the Motorway Assets or a significant increase in expenditures for the operation, maintenance or repair of the Motorway Assets, as well as necessary amendments to the Regulatory Plan. In addition, service malfunctions or interruptions could expose the Issuer to legal proceedings and claims for damages.

The Issuer maintains a "*Pollution Liability*" insurance policy, while other insurance policies as protection against certain risks associated with the activities of its subsidiaries are held at group level by A4 Holding and include "*Third Party Liability*" and "*All risks; sensitive infrastructure; artistic heritage*".

The existing policies held by A4 Holding do not cover labour unrest, nor risk of business interruption to cover damages and operating losses it may experience (such as reduced toll revenue resulting from actions or requests by the relevant authorities, work stoppages, strikes or similar industrial action), and have limited coverage in relation to the risk of damages or operating losses resulting from terrorist acts.

No assurance can be given that insurance policies held by the Issuer or by A4 Holding will cover all of the liabilities to which the Issuer is exposed and that may arise from third party claims, or from any required reconstruction, or maintenance and operating losses, including costs resulting from motorway damage.

To the extent that the services on the Issuer's motorways are interrupted and/or the insurance in place proves to be insufficient to cover some or all of the damage suffered, the Issuer's revenues, results of operations and financial condition could be adversely affected.

Inclement weather could adversely affect traffic volumes and the Issuer's toll revenues

Traffic volumes may be affected by weather conditions and extraordinary events such as heavy snow and, to a lesser extent, strong winds and sleet. The occurrence of any such events generally results in precautionary measures being taken to limit traffic for safety reasons. As a result, the occurrence of such events could lead to a proportional decrease in traffic volumes and thus a significant decline in toll revenue from the Issuer's motorways or a significant increase in expenditure for the operation, maintenance or repair of the Issuer's motorways.

In addition, in the event that the Issuer has not prepared adequate precautionary measures and rapid response to weather crisis and extraordinary events, such circumstances may result in the commencement of investigations by the Grantor or the imposition of fines and penalties by other authorities and/or potential legal proceedings such as class actions by individual users of the Issuer's motorways. See "*Description of the Issuer—Legal Proceedings*".

Breach of environmental regulations and/or the tightening or amendment of such regulation may give rise to additional and unforeseen compliance costs for the Issuer

The Issuer'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 Issuer's activities include those arising from the management of residues, effluents, emissions and land on the Issuer's facilities and installations, as well as waste disposal and reduction of noise pollution. 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 Issuer'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. Any failure to comply with such laws and regulations, any adverse change to environmental regulation and/or additional requests for mitigating measures may have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, if such circumstances arise during the construction phase of a project, the Issuer may be subject to legal proceedings and resulting delays in the construction and completion of the works. See "*Description of the Issuer—Legal Proceedings*".

The Issuer's business may be adversely affected by the departure of key personnel

The Issuer relies on the skills and experience of certain key personnel including members of the Management Board and other personnel of its subsidiaries. The loss of any of these key individuals could have a material adverse effect on the Issuer's business, financial condition and results of operations. See "*Description of the Issuer—Recent Developments*".

The Issuer is subject to legal proceedings which could adversely affect its revenues

As part of the ordinary course of business, the Issuer is subject to a number of administrative proceedings and civil actions. The Issuer is currently party to various litigation proceedings (see "*Description of the Issuer—Legal Proceedings*"). As at 31 December 2014, the Issuer had a €2.2 million provision in its financial statements to cover litigation proceedings. To the extent the Issuer is not successful in some or all of these matters, or in future legal challenges (including potential class actions or legal proceedings which the Issuer deems without merit or for which the potential Issuer liability cannot currently be estimated), the Issuer's results of operations or financial condition may be materially adversely affected.

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

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

The Issuer is subject to Italian legislation providing for quasi-criminal liability of entities

Italian Legislative Decree No. 231 of 8 June 2011, as amended ("**Decree 231**") requires Italian corporate entities to implement compliance procedures and provides for quasi-criminal liability of such entities for crimes committed in their interest or to their advantage by individuals which have a functional relationship with such corporate entities, such as employees, directors and representatives. Crimes which could trigger a corporate entity's quasi-criminal liability pursuant to Decree 231 include, among others, those committed when dealing with public administrations (including bribery, misappropriation of public contributions and fraud to the detriment of the state), corporate crimes, environmental crimes and crimes of manslaughter or serious injury in violation of provisions on health and safety at the workplace. The adoption of an organisational, management and control model ("**OMC**") provides a defense from quasi-criminal liability to corporate entities that have implemented an OMC in compliance with Decree 231 and have appointed an independent officer or body, such as a Supervisory Body (*Organismo di Vigilanza*), to supervise such OMC. As of the date of this Prospectus, the Issuer has adopted OMC models. The adoption of an OMC model by a company does not in itself preclude the application of sanctions under Decree 231, and failure to update these OMC models increases the risk that quasi-criminal liability under Decree 231 may attach. If a crime subject to Decree 231 is committed, the court will examine the controls implemented by the relevant company and, where the controls are considered to be inadequate, implemented ineffectively or insufficiently monitored, the company could be subject to sanctions.

A quasi-criminal proceeding relating to alleged crimes subject to Decree 231, even if ultimately such proceeding discharges the Issuer, could be costly and could divert management's attention away from other aspects of our business. Any such proceedings may also cause adverse publicity and reputational harm, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The nature of the Issuer's activities and operations may expose it to liability to third parties

The activities of the Issuer are subject to typical risks related to the industries in which the Issuer operates. These risks include, *inter alia*, damage to the environment, assets and other equipment and the possibility of accidents causing injuries to users of the Motorway Assets, employees or third parties (which, in the most serious cases, may prove fatal).

Such incidents could subject the Issuer and its key personnel to criminal or civil penalties by users of the Motorway Assets, subcontractors, governments, public authorities, employees or members of the public for damage to the environment, damage to property, assets and other equipment, including for personal injury or wrongful death, which could lead to the payment of extensive damages, criminal fines or imprisonment of key personnel. These events could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risk Factors Relating to the Notes

The Notes are fixed-rate securities and are vulnerable to fluctuations in market interest rates

The Notes will bear interest at a fixed rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets ("Market Interest Rate"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes should determine the suitability of that investment in 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 Prospectus or 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 such investment 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;
- (iv) understand thoroughly the terms of the Notes; and
- (v) 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.

A potential investor should not invest in the Notes, unless the potential investor 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.

Certain Italian law provisions affecting the Notes and the rights of the Noteholders are untested

The Notes are subject to certain provisions of the Italian legislation and, in particular, the Code of Public Contracts and, with reference to tax provisions, Law Decree No. 83/2012. In particular, Article 157 of the Code of Public Contracts and Article 1 of Law Decree No. 83/2012, which sets forth specific legal and tax provisions applicable to notes and other debt instruments issued by the Issuer, including the Notes, has been recently amended and are therefore untested under Italian law, may be challenged and, if challenged, may not be upheld by an Italian court and/or any relevant Italian authorities. Any such circumstance may have an adverse impact on Noteholders' rights and on the market value of the Notes. See also "*Regime applicable to noteholders meetings. Holders of the Notes may not control certain decisions regarding their rights, including the acceleration of the Notes and the enforcement of Transaction Security*", "*The Notes must be purchased by, and held at all times by, Qualified Holders*" and "*Risks relating to the applicable Italian tax regime of Project Bonds*" below.

In particular, the holders of the Notes would be eligible to benefit from, amongst other things, the General Privilege (as defined in Condition 3.2(c) (*Negative Pledge and Transaction Security—Transaction Security*)) and the Step-in Rights (as defined in Condition 3.4 (*Negative Pledge and Transaction Security—Step—in Rights*)) under the Code of Public Contracts (together, the "**Ancillary Rights**"). The enforcement of the Ancillary Rights may also be subject to the occurrence of certain conditions under applicable legislation which may not subsist. In addition, the application and interpretation of the Italian law provisions governing the Ancillary Rights is as yet untested by the courts and by the relevant authorities. As a result, there can be no assurance that any of the Ancillary Rights will be enforceable on the terms, and within the time-frames, envisaged by the Concession Agreement or the Code of Public Contracts, or at all. See "*Terms and Conditions of the Notes—Condition 3.4 (Step-in Rights)*".

The Termination Value may be significantly reduced and the Issuer may not be able to redeem the Notes

If the Issuer fails to comply with the terms of the Concession Agreement and as a result the Concession Agreement is terminated by the Grantor, the Issuer has the right to receive an amount equal to the Termination Value. The proceeds of the Termination Value must be used by the Issuer to redeem the Notes under Condition 6.5 (*Redemption upon Termination Value Payment*). However, the Termination Value due to the Issuer may be set off against, amongst other things (a) any amounts owed by the Issuer to the Grantor at the time the Termination Value is paid and (b) the amount of any sanctions or penalties applied against the Issuer in connection with its failure to comply with the terms of the Concession Agreement. As a result, in these circumstances, the amount available to the Issuer as Termination Value could be materially reduced. See "*Description of the Issuer—Expiry or early termination of Concession*" and "*Terms and Conditions of the Notes—Condition 6.5 (Redemption upon Termination Value Payment)*".

Following the Issuance of the Notes, the Issuer may incur significantly more debt, including debt in the future which is necessary to finance the construction of Valdastico Nord motorway

After giving effect to the issue of Notes and the application of the net proceeds therefrom, as of 31 December 2014, the Issuer and its subsidiaries would have had neither gross nor net financial indebtedness other than the Notes. In addition, the Issuer may be able to incur significant additional indebtedness in the future, including any Required Capex Indebtedness (as such term is defined in Condition 2.2 (*Definitions and Interpretation*)) to finance the Valdastico Nord motorway. Although the Terms and Conditions contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with these exceptions could be substantial. If the Issuer incurs additional indebtedness (including any Required Capex Indebtedness to finance the Valdastico Nord motorway), until the projects financed through such additional indebtedness become capable of generating additional cash flow, the risks related to the business of the Issuer associated with its increased level of debt could intensify.

The Issuer may be subject to restrictive covenants under any indebtedness to finance the Valdastico Nord motorway which could impair its ability to run its business

Any Required Capex Indebtedness (as such term is defined in the Conditions) to finance the Valdastico Nord motorway, as well as any other indebtedness which is permitted to be incurred under the Conditions (together any "**Additional Indebtedness**"), may contain negative covenants (subject to exceptions to be agreed

between the Issuer and the providers of such Additional Indebtedness), restricting, among other things, the Issuer's ability to:

- make certain capital expenditures;
- make certain investments;
- incur additional indebtedness or issue guarantees, including for the purpose of refinancing of existing indebtedness;
- create or incur security;
- sell, lease, transfer or dispose of assets;
- merge or consolidate with other companies;
- make a substantial change to the general nature of the Issuer's business;
- pay dividends and make other distributions or restricted payments; and
- enter into transactions with affiliates.

The documentation for such Additional Indebtedness may also provide for certain restrictive financial covenants, the breach of which would lead to an event of default thereunder, as well as other terms (including representations, covenants, mandatory prepayments, trigger events and events of default) which are more restrictive than the Conditions. Such other Additional Indebtedness may also benefit from the same Transaction Security as the Notes. See "*—The Transaction Security may be shared with other creditors.*"

The restrictions and limitations contained in the documentation for such Additional Indebtedness, as well as the restrictions contained in the Conditions and the Trust Deed, could affect the Issuer's ability to operate its business. For example, such restrictions could adversely affect the Issuer's ability to finance its operations, fund capital expenditure required for the timely compliance with the Concession Agreement and the implementation of its investment plans or finance its capital needs. Additionally, its ability to comply with these covenants and restrictions may be affected by events beyond its control, including, among other things, prevailing economic, financial and industry conditions. If the Issuer breaches any of these covenants or restrictions, it could result in a default under the relevant documentation for such Additional Indebtedness.

If there was an event of default under any relevant documentation for such Additional Indebtedness that is not cured or waived, the holders of the defaulted debt could (subject to any Intercreditor Arrangements) terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under other indebtedness, including the Notes. Any such actions could force the Issuer into bankruptcy or liquidation, and they may not be able to repay its obligations under the Notes in such an event.

The Notes will be secured only to the extent of the value of the Transaction Security that has been granted as security for the Notes

The Transaction Security securing the Notes will initially comprise (i) a pledge over shares of the capital stock of the Issuer, other than the 19.5% of the Issuer's capital stock that is already pledged to Cassa di Risparmio del Veneto S.p.A., (ii) a "*privilegio speciale*" over movable present and future assets of the Issuer pursuant to article 46, paragraph 1-*bis* of Italian legislative decree No. 385 of 1 September 1993 as amended; (iii) a "*privilegio generale*" over movable present and future assets of the Issuer pursuant to article 160 of Italian legislative decree No. 163 of 12 April 2006 as amended; and (iv) a pledge over one or more bank accounts of the Issuer.

If an event of default occurs and the Notes are accelerated, the Notes will rank equally with the holders of other unsubordinated and unsecured indebtedness with respect to any assets excluded from the Transaction Security. To the extent the claims of the holders of the Notes exceed the value of the assets securing the Notes and other liabilities, claims related to any excluded assets will rank equally with the claims of the holders of any other unsecured indebtedness. As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the holders of the Notes together with the claims of other secured

creditors and any claims of the holders of any *pari passu* additional indebtedness, those claims may not be satisfied in full before the claims of unsecured creditors of the Issuer are paid.

It may be difficult to realise the value of the Transaction Security

The Transaction Security may be subject to exceptions, defects, encumbrances, liens and other imperfections permitted under the Trust Deed and any Intercreditor Arrangements, whether on or after the date the Notes are first issued. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Transaction Security, as well as the ability of the Security Agent to realise or foreclose on such Transaction Security. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterisation under local laws.

The Transaction Security may be subject to practical problems generally associated with the realisation of security interests in Transaction Security. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consent. In addition, the consent of any third parties may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Transaction Security may significantly decrease. As a result, in these circumstances, the amount recoverable by the Noteholders could be materially reduced or eliminated.

After giving effect to the issuance of Notes and the application of the net proceeds therefrom, as of 31 December 2014, the Issuer would have had no outstanding indebtedness other than Notes secured on the Transaction Security.

The Transaction Security may be shared with other creditors

Under the terms of the Trust Deed, the Issuer has undertaken to enter into, and procure that, *inter alios*, the Trustee, the Security Agent and the creditors (or their representative or trustee) under any Required Capex Indebtedness (as such term is defined in the Conditions) enter into intercreditor arrangements (the “**Intercreditor Arrangements**”) in accordance with the terms of the intercreditor principles set out in the Trust Deed on or prior to entering into any agreement to incur Required Capex Indebtedness. Subject to such Intercreditor Arrangements, the Notes will rank *pari passu* and will share the Transaction Security with the creditors under any Required Capex Indebtedness existing subsisting from time to time. As a result, the value of the assets pledged as security for the Notes may not be sufficient to satisfy the claims of the holders of the Notes together with the claims of such other secured creditors.

Regime applicable to noteholders meetings. Holders of the Notes may not control certain decisions regarding their rights, including the acceleration of the Notes and the enforcement of Transaction Security, which may be also subject to Intercreditor Arrangements

Article 157 of the Code of Public Contracts exempts the Notes from the application of mandatory Italian law governing noteholders meetings and noteholders representative. In case of amendments to Italian law providing for a specific regime governing the above meetings of Noteholders, the meetings of Noteholders will be governed by the Conditions to the extent Italian law does not provide otherwise. In addition, the applicability of Italian law to the provisions governing the meetings of Noteholders could result in the appointment of a Noteholders representative (*rappresentante comune*) pursuant to Article 2417 of the Italian Civil Code.

In addition, the Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally including, *inter alia*, any proposal to modify the maturity of the Notes or the dates on which interest is payable on them, to reduce or cancel the principal amount of, or interest on, the Notes, or to change the currency of payment of the Notes. 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.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, the Notes, the Trust Deed, the Conditions, the Agency Agreement or any other transaction documents to which the Trustee is a party or (ii) determine without the consent of the Noteholders that any Event of Default shall not be treated as

such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 3.4 (*Step-in Rights*) and to the extent a Permitted Reorganisation (as defined in Condition 2.2 (*Definitions and Interpretation*)) occurs.

In addition, once any Intercreditor Arrangements are entered into, the ability of the Noteholders to give directions to the Trustee in respect of any modifications, consents and waivers under the Trust Deed, the Conditions, the Agency Agreement, the Transaction Security or other transaction documents to which the Trustee is a party may be restricted by such Intercreditor Arrangements. Such modifications, consents and waivers may also include, without limitation, the giving of instructions to enforce the rights of the Noteholders.

It is possible that the interests of certain other parties to any Intercreditor Arrangements will not be aligned with the interests of Noteholders and therefore there can be no assurance that any modification, consent or waiver or the enforcement action taken will be favourable to the Noteholders. In the case of modifications, consents or waivers made without the consent of the Noteholders, or any enforcement action, such matters may be detrimental to the interests of some or all Noteholders. Modifications, consents or waivers may also be detrimental to the interests of some or all Noteholders, but nonetheless permissible without any such consent, despite the fact that the ratings of the Notes or of the Issuer may be affirmed. The votes of the Noteholders may not constitute the required majority in respect of any such matter, owing to the relative amount of indebtedness (compared to the Issuer's overall indebtedness) constituted by the Notes which is capable of being voted by Trustee under any Intercreditor Arrangements compared with other Additional Indebtedness. Therefore, once any Intercreditor Arrangements are entered into, Noteholders alone may not be able to control the outcome of any particular approval or enforcement process (including, without limitation, in respect of the acceleration of any liabilities under the Notes) and it is possible that the Security Agent may be given instructions which are not in the interests of Noteholders.

The ability of the Security Agent to enforce certain of the Transaction Security may be restricted by Italian law

The Trust Deed and any Intercreditor Arrangements will provide that to the extent permitted by applicable law, only the Security Agent has the right to enforce the Security Documents on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Transaction Security securing the Notes, except through the Trustee, who will (subject to the provisions of the Trust Deed) provide instructions to the Security Agent in respect of the Transaction Security and in accordance with any Intercreditor Arrangements. See "*Terms and Conditions of the Notes—Transaction Security*".

Furthermore, it is uncertain and untested in the Italian courts whether, under Italian law, security can be created and perfected (i) in favour of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries; and (ii) in favour of BNP Paribas Trust Corporation UK Limited as the Trustee of the Notes under the Trust Deed, since there is no established concept of "trust" or "trustee" under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of the Trustee as agent or trustee for holders of the Notes under security interests on Italian assets is debatable under Italian law.

Given the above and considering that the holders of the Notes may not directly be a party to the Security Documents governed by Italian law, there is a risk that an Italian court may determine that the holders of the Notes at the time of enforcement are not secured by the security under the Security Documents governed by Italian law and/or cannot enforce that security.

To address the above potential issue, the Trust Deed provides for the creation of a "parallel debt". Pursuant to the parallel debt and subject to the terms of the Trust Deed and to applicable law, the Trustee, in its individual capacity acting in its own name and not as agent or representative of the holders of the Notes, becomes the holder of a claim equal to each amount payable by the Issuer under the Notes. The Transaction Security governed by Italian law will then also secure the parallel debt. To date, the Italian courts have not considered the enforceability of certain rights of a Trustee benefiting from a parallel debt, and, accordingly, there is no certainty that the parallel debt procedure will *per se* eliminate or mitigate the risk of unenforceability by the holders of the Notes of Italian law security interests granted for their benefit. In addition, to the extent that the

security interests in the Transaction Security located in Italy created under the “parallel debt” structure are successfully challenged by other parties, there is the risk that holders of the Notes (in relation to which the relevant perfection formalities acknowledging its status of secured creditor are not perfected at the time of the enforcement) will not receive any proceeds from an enforcement of the security interest in the relevant Transaction Security.

In addition, the Transaction Security will be created and perfected, pursuant to Article 2414-*bis*, paragraph 3, in favour of the Security Agent acting in its capacity as representative (*rappresentante*) of the holders of the Notes. However, the enforceability of Italian law security granted in favour of a representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code has not been tested in the Italian courts and, therefore, the risk of unenforceability by the holders of the Notes of the security documents posed by Italian law cannot be eliminated or mitigated.

Moreover, under Italian law, claims of certain categories of creditors (*creditori privilegiati*) are given statutory priority in relation to the proceeds of a debtor’s property in respect of the claims of other creditors.

Rights of Noteholders in the Transaction Security securing the Notes may be adversely affected by the failure to perfect security interests in the Transaction Security

Under Italian law, a security interest in certain tangible and intangible assets can only be properly perfected, and thus retain its priority, if certain actions are undertaken by the secured party and/or the grantor of the security interest. The security interests in the Transaction Security may not be perfected with respect to the claims of the Notes if the Issuer fails or is unable to take the actions required to perfect the security interest. Such failure may result in the invalidity of the relevant security interest in the Transaction Security or adversely affect the priority of such security interest in favour of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Transaction Security.

The Notes must be purchased by, and held at all times by, Qualified Holders

The Notes are subject to certain provisions of the Italian legislation and, in particular, the Code of Public Contracts and, with reference to tax provisions, Law Decree No. 83/2012. Pursuant to such provisions, the Notes may only be subscribed for, held by and circulate among certain investors (the “**Qualified Holders**”). As of the date of this Prospectus, article 157 of the Code of Public Contracts provides that only qualified investors (*investitori qualificati*) (as defined in article 100 of the of the Legislative Decree No. 58 of 24 February 1998, as amended) and entities controlled by such qualified investors pursuant to article 2359 of the Italian Civil Code may subscribe for, purchase or hold the Notes. Potential investors should be aware that, by purchasing the Notes they will be deemed to have represented and warranted that they are Qualified Holders and acknowledged that the Issuer is not and will not be at any time in a position to monitor the identity and qualification of any purchaser of, or holder of, the Notes as well as the compliance with Italian laws and regulations applicable to the entities that may purchase or hold the Notes. Although the Code of Public Contracts and Law Decree No. 83/2012 do not set out the consequences of a non-compliance with such limitations, it cannot be ruled out that any such Notes not held by a Qualified Holder would not be enforceable or any purchase of, or subscription for, the Notes by a person who is not a Qualified Holder should not be valid or would be subject to a different tax regime. Each potential investors should consult its legal and tax advisers to determine if it qualifies as a Qualified Holder and to evaluate the legal and tax consequences of the purchase of the Notes. See “*Legal investment considerations may restrict certain investments*”.

The granting of the security interests in the Transaction Security may create “clawback” periods for such security interests in accordance with Italian law

The granting of new security interests in connection with the issuance of the Notes, including under the Securities Pledge, the General Privilege (as defined in Condition 3.2(c) (*Transaction Security*)) and the Special Privilege (as defined in Condition 3.2(b) (*Transaction Security*)), may be voidable by the grantor of such security interest or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if: (a) the grantor of such security interest is deemed to be insolvent at the time of the grant, (b) the grant permits the secured parties to receive a greater recovery than if the grant had not been given and (c) an insolvency proceeding in respect of the grantor of such security interest is commenced within a legally specified “clawback” period following the granting or recreation of such security interest. To the

extent that the granting or recreation of any security interest in the Transaction Security is voided, holders of the Notes would lose the benefit of the relevant security interest.

Redemption prior to maturity for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any change in or amendment to the laws or regulations of the Republic of Italy or any political subdivision thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof, the Issuer may redeem all outstanding Notes in accordance with the Conditions of the Notes. If this occurs, there can be no assurance that it will be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes.

The Issuer may not have sufficient funds at the time of occurrence of a change of control event to redeem outstanding Notes

Upon the occurrence of certain events relating to the Issuer as set out in “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Holders upon a Change of Control*”, under certain circumstances, the Noteholders will have the right to require the Issuer to redeem their outstanding Notes at their principal amount plus accrued and unpaid interest, if any, to the date of redemption. However, it is possible that the Issuer will not have sufficient funds at the time of occurrence of such events to make the required redemption of Notes. In addition, except as specifically set out in “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Holders upon a Change of Control*”, the Notes do not contain provisions that provide a right to Noteholders to require the Issuer to purchase or redeem the Notes in any other circumstances.

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of the Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will 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 such withholding or deduction been required. The Issuer’s obligation to gross up is, however, subject to a number of exceptions, including withholding or deduction of:

- (a) Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (“**Decree No. 239/1996**”); and
- (b) withholding tax operated in certain member states of the European Union (each a “**Member State**”) pursuant to EC Council Directive 2003/48/EC and similar measures agreed with the European Union by certain non-EU countries and territories, a brief description of which is set out in this Prospectus.

See “*Terms and Conditions of the Notes—Taxation*”.

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of 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 of any country or territory. See also “*Taxation*”.

Italian Substitute Tax

Under Art. 1 of Law Decree No. 83 of 22 June 2012 and Decree No. 239/1996, Italian substitute tax is applied to payments of Interest at a rate of 12.5 per cent., should the relevant conditions be met, to certain Italian resident Noteholders.

Based on one interpretation of Art. 1 of Law Decree No. 83 of 22 June 2012 and Decree No. 239 and in the absence of a specific guideline by the Italian tax authorities, no Italian *imposta sostitutiva* should be levied or applied in connection with any payment of principal or Interest in respect of the Notes to non-Italian residents Noteholders having no permanent establishment in Italy to which the Notes are connected, provided that, if the Notes are held with an Intermediary in Italy, the non-Italian resident Investor declares itself to the same Intermediary to be a non-Italian resident according to Italian tax regulations, if requested. However, there can be no assurance that the Italian tax authorities or the Italian courts may support a different interpretation of

Italian fiscal law according to which such payments of Interest in respect of the Notes held by certain non-Italian resident noteholders could be subject to Italian *imposta sostitutiva*. ICSDs (as defined in “*Summary of provisions relating to the notes in global form—Redemption for Taxation Reasons, Redemption at the Option of the Issuer and Redemption upon Termination Value Payment*”), acting as withholding tax agent, cannot be held responsible in case of different interpretation of the Italian Tax Authorities. See also “*Certain Italian law provisions affecting the Notes and the rights of the Noteholders are untested*” above, “*Risks relating to the applicable Italian tax regime of Project Bonds*” below and “*Taxation—Taxation in Italy—Non-Italian resident holders*”.

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide the tax authorities of other Member State details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit to an individual resident in another Member State or certain limited types of entities established in another Member State. On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system where they are implemented.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015 in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Investors must rely on the procedures of the Clearing Systems to trade their beneficial interests in the Notes and to receive payments under the Notes

The Notes will be deposited with a Common Safekeeper for the Clearing Systems. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The Clearing Systems 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 the Clearing Systems. 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 Clearing Systems for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of the Clearing Systems 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 the Clearing Systems to appoint appropriate proxies.

Minimum Denomination

The Notes are issued in denominations of €100,000 or higher amounts which are integral multiples of €1,000, up to a maximum of €99,000. Although Notes may not be traded in amounts of less than €100,000, it is possible that they will be traded in amounts that are not integral multiples of €100,000. In such case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 may 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 its holding amounts to the minimum denomination. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Risks Relating to Change of Law

No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, Italian law or any administrative practice thereof after the date of this Prospectus.

Insolvency laws applicable to the Issuer may not be as favourable to the Noteholders as bankruptcy laws in other jurisdictions

The Issuer is incorporated in the Republic of Italy. The Issuer and its Italian subsidiaries (as well as any of its subsidiaries whose centre of interests is deemed to be the Republic of Italy) will be subject to Italian insolvency laws. The Italian insolvency laws may not be as favourable to Noteholders' interests as creditors as the laws of other jurisdictions with which the Noteholders may be familiar.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Noteholders or the Trustee on their behalf prior to the commencement of the relevant proceeding may be liable to claw-back by the relevant trustee. In particular, in a bankruptcy proceeding (*fallimento*), Italian law provides for a standard claw-back period of up to one year (six (6) months in some circumstances), although in certain circumstances such term can be up to two (2) years. In this regard, Article 65 of the Italian Royal Decree No. 267 of 16 March 1942, as subsequently amended, may be interpreted as to provide for a claw back period for two years applicable to any payment by the Issuer pursuant to an early redemption at the option of the Issuer if the stated maturity of the Notes falls on or after the date of declaration of bankruptcy of the Issuer.

Furthermore, under Italian law, holders of the Notes do not have any right to vote at any shareholders' meetings of the Issuer (although the Trustee may have certain rights under the terms of the Securities Pledge (as such term is defined in Condition 3.2(c))). Consequently, Noteholders cannot influence any decisions by the Board of Directors of the Issuer or any decisions by shareholders concerning the Issuer's capital structure, including the declaration of dividends in respect of the Issuer's ordinary shares.

Risks relating to the applicable Italian tax regime of Project Bonds

The Issuer is deemed to be included in the list of companies eligible to issue project bonds (*obbligazioni di progetto*) under Art. 157 of the Code of Public Contracts, as amended. Accordingly, the Notes are subject to the legal and tax regime provided by the said Art. 157 of the Code of Public Contracts and by Art. 1 of Law Decree No. 83 of 22 June 2012, as amended. In particular, under Article 1 of Law Decree No. 83 of 22 June 2012, Interest from notes falling within the category of project bonds (*obbligazioni di progetto*) issued by Italian resident companies referred to by Article 157 of Legislative Decree No. 163 of 12 April 2006 and subject to the conditions set forth by the same Article 157 (among which the fact that the Notes must be purchased by, held at all times by and circulate only among, Qualified Holders, see "*The Notes must be purchased by, and held at all times by, Qualified Holders*") is subject to the same tax regime provided for bonds issued by the Republic of Italy (*titoli del debito pubblico*). However, as clarified by the Italian Revenue Agency with Circular No. 4/E of 2013, the application of the tax regime provided for bonds issued by the Republic of Italy (*titoli del debito pubblico*) is only limited to Interest from the said notes and is not extended to other capital income (*redditi di capitale*) deriving from the notes, such as income deriving from repurchase agreements (*riporti* or *pronti contro termine*) or to capital gains deriving from the sale or redemption of the notes. See "*Taxation—Taxation in Italy—Tax treatment of the Notes*".

Furthermore, interest expenses relating to project bonds are not subject to the limitations set forth by Art. 3.(115) of Law No. 549 of 28 December 1995. Finally, a favourable tax regime is provided for any kind of

security issued by any type of guarantor at any time in relation to project bonds, as well as the relevant subrogations (*surroghe*) and substitutions (*sostituzioni*), postponements (*postergazioni*), subdivisions (*frazionamenti*), and cancellations or partial cancellations (*cancellazioni, anche parziali*), including the sale of receivables relating to the same issuance of bonds and the transfers of the security package, even if consequential to the transfer of the relevant project bond.

Any change of the above law provisions or regulations or a less favourable interpretation of the same laws and regulations which may determine a change of or a limitation on the deductibility of interest expense for the Issuer and/or the application of withholding or substitute taxes (or the increase of the applicable withholding rate) with respect to payments on the Notes and the eventual resulting obligation to pay additional amounts to holders of Notes and/or the applicable tax regime of the security package of the project bonds (as well as of the relevant subrogations (*surroghe*) and substitutions (*sostituzioni*), postponements (*postergazioni*), subdivisions (*frazionamenti*), and cancellations or partial cancellations (*cancellazioni, anche parziali*), including the sale of receivables relating to the same issuance of bonds and the transfers of the security package, even if consequential to the transfer of the relevant project bond) could have a material adverse effect on the financial condition and results of operations of the Issuer. See “*Certain Italian law provisions affecting the Notes and the rights of the Noteholders are untested*”.

Risk Factors Relating to Markets Generally

Set out below is a brief description of the principal market risks that may be relevant in connection with an investment in the Notes.

There is no active trading market for the Notes and one cannot be assured

Application has been made for the Notes 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. However, there can be no assurance that the Notes will be accepted for listing or, if listed, will remain listed. The Notes are new securities for which there is currently no market. There can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell such Notes or the price at which the Notes may be sold. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions, and the Issuer’s financial condition, performance and prospects. In an illiquid market, the Noteholders might not be able to sell their Notes at any time at fair market prices.

There can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices for the Notes.

Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes

Subject to applicable Italian laws and regulations, the ability to transfer the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. See “*Subscription and Sale*”.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States or for the account or benefit of a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each Noteholder to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see “*Subscription and Sale*”.

Credit ratings may not reflect all risks

Credit ratings assigned to the Notes at any time will only reflect the views of the relevant rating agency and 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 or the absence of a rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

In addition, and notwithstanding the above, an adverse change in a credit rating could affect the trading price for the Notes.

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 the purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro 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 euro 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.

In addition, 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.

DOCUMENTS INCORPORATED BY REFERENCE

The following financial information is incorporated by reference in this Prospectus:

- (i) the audited financial statements of the Issuer as at and for the years ended 31 December 2014 prepared in accordance with Italian GAAP, which can be found on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/eng_2014%20AUTOBSPD_7b837cd0-0fb1-485f-8532-efa0f29db5bd.pdf?v=1822015; and
- (ii) the audited financial statements of the Issuer as at and for the years ended 31 December 2013 prepared in accordance with Italian GAAP, which can be found on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_90e50035-6c3b-4c16-a52e-d5dc9d51fc71.PDF?v=1822015.

In each case, together with the accompanying notes and the auditors' reports. See "*Presentation of Financial Information*".

Cross-Reference List

The tables below show where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents.

Audited annual financial statements of the Issuer as at and for the year ended 31 December

	<u>2014</u>	<u>2013</u>
Balance sheet	p.81 - p.84	p.84 - p.87
Profit and loss account.....	p.85 - p.86	p.88 - p.89
Notes to the financial statements	p.87 - p.142	p.90 - p.144
Independent auditors' reports	p.150 - p.151	p.150 - p.151

Information contained in the above documents other than the information listed in the cross-reference list above is considered additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

The documents set out above are translated into English from the original Italian. The Issuer has accepted responsibility for the accuracy of such translations.

This Prospectus should be read and construed together with the information incorporated by reference herein. Copies of any document incorporated by reference in this Prospectus are available free of charge at the specified office of the Paying Agent, unless such documents have been modified or superseded. Such documents will also be available for viewing on the website of the Irish Stock Exchange (www.ise.ie).

The audited financial statements of the Issuer as at and for the year ended 31 December 2014 have been prepared in accordance with Italian GAAP. The audited financial statements of the Issuer as at and for the year ending 31 December 2015 and as at and for each 31 December thereafter will be prepared both in accordance with IFRS and Italian GAAP. To the extent the Issuer prepares any interim financial statements, these will be unaudited and prepared both in accordance with IFRS and Italian GAAP.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to approximately Euro 591,600,000, will be used by the Issuer to (i) refinance existing indebtedness of the Issuer (€465 million), (ii) pay certain transaction fees and expenses and (iii) fund certain capital expenditures of the Issuer. See “*Description of the Issuer—Major Existing Financing Agreements*”.

SELECTED FINANCIAL INFORMATION

	Italian GAAP 2013	Italian GAAP 2014
	<i>(audited)</i>	<i>(audited)</i>
	<i>In Euro million, except percentages</i>	
Profit and Loss		
Revenues ⁽¹⁾	324.7	340.3
Toll Surcharge.....	(38.9)	(39.5)
Adjusted Revenues	285.8	300.8
Operating expenses excl. depreciation and amortisations ⁽²⁾	(165.2)	(182.1)
Toll surcharge.....	38.9	39.5
Net operating expenses	(126.3)	(142.6)
<i>% Adj Revenues</i>	<i>(44.2)%</i>	<i>(47.4)%</i>
EBITDA	159.5	158.2
<i>% Adj Revenues</i>	<i>55.8%</i>	<i>52.6%</i>
Depreciation and amortisations.....	(53.9)	(59.0)
Provisions.....	(11.2)	(2.6)
EBIT	94.4	96.6
<i>% Adj revenues</i>	<i>33.0%</i>	<i>32.1%</i>
Net Interest Expenses.....	(23.3)	(26.9)
Extraordinary Income /(Loss).....	0.2	1.3
EBT	71.3	71.0
<i>% Adj revenues</i>	<i>24.9%</i>	<i>23.6%</i>
Taxes.....	(23.9)	(23.8)
Net income	47.4	47.2
<i>%Adj revenues</i>	<i>16.6%</i>	<i>15.7%</i>

(1) Item net of internal works capitalised (equal to €2.2 million for the year ended 31 December 2014 and €2.0 million for the year ended 31 December 2013).

(2) Item rebalanced to take into account the exclusion of internal work capitalised from revenues (equal to €2.2 million for the year ended 31 December 2014 and €2.0 million for the year ended 31 December 2013).

	Italian GAAP 2013	Italian GAAP 2014
	<i>(audited)</i>	<i>(audited)</i>
	<i>In Euro million</i>	
Statements of financial position		
Intangible Assets.....	83.6	77.2
Tangible Assets.....	981.9	1,012.2
- <i>Motorway Assets</i>	<i>981.3</i>	<i>1,011.6</i>
Financial Assets.....	28.4	28.9
Other Fixed Assets.....	6.7	6.9
Total Non Current Assets	1,100.6	1,125.2
Inventory.....	1.3	1.2
Third Party Account Receivables.....	65.6	68.5
Related Party Receivables.....	23.5	28.3
Other Receivables.....	14.6	15.0
Cash and Cash Equivalents.....	22.6	20.1
Total Current Assets	127.6	133.1
Accruals and Deferrals.....	1.6	1.0
Total Assets	1,229.8	1,259.3
Share Capital.....	125.0	125.0
Reserves.....	424.2	449.6
Retained Earnings.....	47.4	47.2
Total Equity	596.6	621.8
Provisions.....	42.8	43.0
Third Party Account Payables.....	23.7	22.7
Related Party Payables.....	81.6	74.7
Financial Debt.....	450.0	465.0
Other Payables.....	35.1	32.1
Total Liabilities	633.2	637.5
Total Liabilities & Equity	1,229.8	1,259.3

	Italian GAAP 2013	Italian GAAP 2014
	<i>(audited)</i>	<i>(audited)</i>
	<i>In Euro million</i>	
Cash flow statement		
Net Income.....	47.4	47.2
Depreciation and amortisation provisions	65.7	61.7
Other Non-Cash Items.....	—	—
Funds from Operations.....	113.1	108.9
Change in Net Working Capital	(74.4)	(9.0)
Change in Other Operating Assets/Liabilities	(10.4)	(12.2)
Cash Flow from Operations	28.3	87.7
Capital Expenditure.....	(101.2)	(82.7)
Cash Flow from Investment Activities.....	(101.2)	(82.7)
Change in Debt	50.0	15.0
Change in Equity.....	30.0	—
Dividends.....	—	(22.0)
Other cash flow financing	(0.0)	(0.4)
Cash flow from Financing Activities.....	80.0	(7.4)
Cash of the Period.....	7.1	(2.5)

	Italian GAAP 2014	IFRS adjustments	IFRS 2014
	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>In Euro million, except percentages</i>		
Profit and Loss			
Revenues ⁽¹⁾	340.3	82.6	422.9
Toll Surcharge.....	(39.5)	—	(39.5)
Adjusted Revenues	300.8	82.6	383.4
Operating expenses excl. depreciation and amortisations ⁽²⁾	(182.1)	(81.4)	(263.5)
Toll surcharge.....	39.5	—	39.5
Net operating expenses	(142.6)	(81.4)	(224.0)
% Adj Revenues.....	(47.4)%		(58.4)%
EBITDA	158.2	1.2	159.4
% Adj Revenues.....	52.6%		41.6%
Depreciation and amortisations.....	(59.0)	(12.5)	(71.5)
Provisions.....	(2.6)	(0.2)	(2.8)
EBIT	96.6	(11.5)	85.1
% Adj revenues.....	32.1%		22.2%
Net Interest Expenses.....	(26.9)	(0.6)	(27.5)
Extraordinary Income /(Loss).....	1.3	(1.3)	—
EBT	71.0	(13.4)	57.6
% Adj revenues.....	23.6%		15.0%
Taxes.....	(23.8)	5.7	(18.1)
Net income	47.2	(7.7)	39.5
%Adj revenues.....	15.7%		10.3%

(1) Item net of internal works capitalised (equal to €2.2 million for the year ended 31 December 2014 under Italian GAAP).

(2) Item rebalanced to take into account the exclusion of internal work capitalised from revenues (equal to €2.2 million for the year ended 31 December 2014 under Italian GAAP).

	ITA GAAP 2014	IFRS adjustments	IFRS 2014
	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>In Euro million</i>		
Statements of financial position			
Intangible Assets.....	77.2	899.7	976.9
- Motorway Assets.....	—	976.9	976.9
Tangible Assets.....	1,012.2	(1,011.7)	0.5
- Motorway Assets.....	1,011.6	(1,011.6)	—
Financial Assets.....	28.9	0.3	29.2
Deferred tax assets and other non current assets.....	6.9	27.6	34.5
Total Non Current Assets	1,125.2	(84.1)	1,041.1
Inventory.....	1.2	—	1.2
Third Party Account Receivables.....	68.5	—	68.5
Related Party Receivables.....	28.3	(6.1)	34.4
Other Receivables.....	15.0	(12.5)	2.5
Cash and Cash Equivalents.....	20.1	0.1	20.2
Total Current Assets	133.1	(6.3)	126.8
Accruals and Deferrals.....	1.0	(1.0)	—
Total Assets	1,259.3	(91.4)	1,167.9
Share Capital.....	125.0	—	125.0
Reserves.....	449.6	(85.3)	364.3
Retained Earnings.....	47.2	(7.7)	39.5
Total Equity	621.8	(93.0)	528.8
Provisions.....	43.0	1.6	44.6
Third Party Account Payables.....	22.7	0.1	22.8
Related Party Payables.....	74.7	(0.1)	74.7
Financial Debt.....	465.0	—	465.0
Other Payables.....	32.1	—	32.1
Total Liabilities	637.5	1.6	639.1
Total Liabilities & Equity	1,259.3	(91.4)	1,167.9

Summary of certain differences between Italian GAAP and IFRS

This Prospectus contains historical financial information derived from (i) the Issuer's audited financial statements as of and for the years ended 31 December 2014 and 2013, prepared pursuant to Italian GAAP, and (ii) certain financial information of the Issuer for the year ended on 31 December 2014 prepared under IFRS.

The matters described below summarise certain significant differences between Italian GAAP and IFRS that may be material to the financial information included in this Prospectus. This Prospectus does not include a qualitative or detailed quantitative reconciliation of financial information and related footnotes prepared in accordance with Italian GAAP and IFRS; accordingly, undue reliance should not be placed on the completeness of the reconciliation. Each prospective investor should consult its own professional advisers for an understanding of the differences between Italian GAAP and IFRS and how those differences might affect the financial information included in this Prospectus.

The differences highlighted below reflect only those differences in accounting policies in force at the time of the preparation of the Italian GAAP audited financial statements. No attempt has been made to identify future differences between Italian GAAP and IFRS, as the result of prescribed changes in accounting standards, transactions or events that may occur in the future. Regulatory bodies that promulgate Italian GAAP and IFRS have significant ongoing projects that could affect future comparisons, such as this one between Italian GAAP and IFRS. Future developments or changes in Italian GAAP and IFRS may give rise to additional differences between Italian GAAP and IFRS, which could have a significant impact on the Issuer.

Service concession arrangements (IFRIC12)

- Adjustment to equity at 31 December 2014: €(43,828) thousand;
- Adjustment to profit for 2014: €(11,435) thousand.

IFRIC 12 applies to service concession arrangements between a public sector body (grantor) and a private sector body (operator) when the following conditions are met:

- (i) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- (ii) the grantor controls – through ownership or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

It follows that the operator does not recognise the transferable infrastructure as property, plant and equipment because it does not control it, but only has the right to use it to provide the public service in accordance with the terms specified in the contract with the grantor.

Indeed, the Concession provides for the construction, management and ongoing operation of sections of motorways, roads and interchanges connecting such infrastructure with ordinary roads. In exchange for the services provided, which entail assuming all risks and charges relating to the construction and management of the sections covered by the concession, the company receives income in the form of tolls paid by users.

As specified by IFRIC 12, if the operator provides construction or upgrade services, the consideration received or receivable by the operator shall be recognised at its fair value. The consideration may be rights to:

- (i) a financial asset (the financial asset model); or
- (ii) an intangible asset (the intangible asset model).

The financial asset model is used when the operator has an unconditional right to receive contractually guaranteed cash for the construction services regardless of the actual use of the infrastructure.

On the other hand, with the intangible asset model, the operator provides infrastructure construction and upgrade services in exchange for a right to charge users of the infrastructure. Accordingly, the grantor does not guarantee the operator's cash flows, which are instead connected to the users' actual use of the infrastructure, giving rise to demand risk for the operator. Demand risk is the risk that the cash flows generated by the users of the public service will not be sufficient to recover the operator's investment.

If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset, a mixed accounting treatment is used. In this case, it is necessary to account separately for each component of the arrangement, separating the operator's consideration into the part referring to the financial asset and the part referring to the intangible asset. IFRIC 12 requires that the operator first calculate the consideration

received or receivable referring to the financial asset and then the amount of the intangible asset on a residual basis (i.e., considering the value of construction and/or upgrade services provided).

The intangible asset model applies to the Concession because the Concession Agreement currently in effect and governing the concession in place between the Grantor and the Issuer includes arrangements that provide for the construction of the infrastructure and arrangements that provide for the management of an existing infrastructure and the extension and upgrade of the same infrastructure in exchange for which the Issuer acquires additional specific economic benefits.

The Issuer's succession right at the end of the concession can be measured as the residual amount – not subject to amortisation – of the intangible asset recognised in accordance with IAS 38 because the conditions for the application of the financial asset model are not met, given that the Issuer does not have the unconditional right to receive contractually guaranteed cash.

The intangible asset recognised to account for the rights acquired under the concession is amortised in accordance with IAS 38 ("Intangible assets") to reflect the way in which the economic benefits arising from the use of the infrastructure flow to the company. On this basis, the intangible asset is amortised in relation to the revenue generated from tolls charged for the use of the same infrastructure.

Another aspect worthy of note with respect to the application of IFRIC 12 is that the infrastructure construction and upgrade activity is similar to a construction company's activity. Accordingly, during the period in which the construction services are provided, the costs and revenue are recognised in profit or loss in accordance with the provisions of IAS 11 ("Construction contracts").

Previously, costs for the construction of transferrable assets were recognised directly as assets, without affecting the profit and loss account.

The main effects of applying IFRIC 12 on the restated financial schedules of the Issuer's are summarised below.

Property, plant and equipment

The carrying amount of the assets that are transferrable to the Grantor at no charge has been reclassified from "Transferrable assets" to "Intangible concession rights".

Intangible assets

The item "Intangible concession rights" includes the amount of the assets that are transferrable to the Grantor at no charge, which were previously recognised as tangible fixed assets.

Furthermore, the grants disbursed under the agreements signed with the Grantor have also been reclassified to this item.

Accumulated amortisation has been restated to reflect the ways in which the economic benefits of the assets flow to the Issuer.

Tax effect

Deferred tax assets and liabilities have been restated to reflect the adjustments in accordance with IFRIC 12.

Equity

Equity reflects the effects of the fair value measurement of the intangible concession rights, the different way in which amortisation is calculated and the resulting deferred tax effects.

Revenue

During the period in which the construction services are provided, the costs and revenue are recognised in profit or loss in accordance with the provisions of IAS 11 ("Construction contracts").

Costs

In accordance with IAS 11, during the year, the company recognised the costs incurred for the construction of the transferrable assets, which were previously recognised directly as assets, without affecting the profit and loss account.

Amortisation

The intangible asset recognised to account for the rights acquired under the concession is amortised in accordance with IAS 38 (“Intangible assets”) to reflect the way in which the economic benefits arising from the use of the infrastructure flow to the Issuer. On this basis, the intangible asset is amortised in relation to the revenue generated from tolls charged for the use of the same infrastructure.

Employee benefit

- Adjustment to equity at 31 December 2014: €(1,173) thousand;
- Adjustment to profit for 2014: €(218) thousand;
- Adjustment to comprehensive income (loss): €(1,648) thousand.

Italian GAAP require the recognition of liabilities for employees’ leaving entitlements at their nominal amount, calculated in accordance with the provisions of the Italian Civil Code, whereas IFRS consider employees’ leaving entitlements as a defined benefit plan and, accordingly, require an actuarial calculation, with the recognition of the service cost and net financial expenses in profit or loss and the recognition of the actuarial gains or losses that arise in the measurement of the assets and liabilities each year in the statement of comprehensive income.

The financial/demographic assumptions applied in the measurement of post-employment benefits at 1 January 2014 are shown below:

Financial assumptions:	%
Annual discount rate	3.17%
Annual inflation rate	2%
Annual rate of increase in post-employment benefits	3%
Annual turnover rate	2%
Demographic assumptions:	%
Mortality rate	RG48 mortality statistics published by the Italian government’s National Accounts Office
Disability rate	INPS (national social security institution) statistics by age and sex

DESCRIPTION OF THE ISSUER

Overview

Autostrada Brescia-Verona-Vicenza-Padova S.p.A. (“**Autostrada Brescia Padova**” or the “**Issuer**”) was incorporated on 24 July 2006 as a joint stock company (*società per azioni*) under the laws of Italy for a limited term expiring on 31 December 2050. The Issuer is a wholly owned subsidiary of A4 Holding S.p.A. (“**A4 Holding**”, and, together with its subsidiaries and affiliates the “**A4 Group**”). The authorised and subscribed share capital (*capitale sottoscritto*) of the Issuer is €125,000,000.00 divided into 125,000,000 fully paid up registered ordinary shares with a nominal value of €1.00 each.

As a result of the group reorganisation carried out in 2011 (as described in “*History*” below), the Issuer, the legal successor to A4 Holding, became the operator under a concession which was originally granted to A4 Holding in 1956, for the construction and management of the stretch of the A4 motorway running from Brescia to Padova. The original concession agreement has been amended over time pursuant to numerous supplements and additions in 1972, 1986, 1990, 1992, 1999 and finally in 2007, when A4 Holding obtained a renewal of the concession until 2026 (the original concession, as amended and supplemented from time to time, the “**Concession Agreement**”). As a result of the above mentioned amendments, the Concession Agreement is no longer limited to the A4 stretch of the Brescia Padova motorway but also regulates the construction, operation and maintenance of other toll motorways (including tunnels, bridges and viaducts) in different areas of north-east Italy. In 2012 the original grantor A.N.A.S. S.p.A. (“**ANAS**”) was substituted by the Ministry of Infrastructure and Transport (“**MIT**”) (ANAS or MIT, as the case may be, the “**Grantor**”).

The business scope of the Issuer is primarily to carry out the activities described in the Concession Agreement and related tasks. In particular, as already provided under the Concession Agreement, the principal corporate purpose of the Issuer is the promotion, design, construction and/or management of highways in Italy including: (i) the A4 motorway between Brescia and Padova, (ii) the A31 Valdastico motorway, and (iii) contiguous or complementary road works, public works or works of common public interest on those motorways. The Issuer may undertake all commercial, industrial and financial activities, and manage real estate and other assets, as may be necessary or useful for the achievement of its primary corporate purpose.

The Issuer derives a significant majority of its revenues from tolls paid by users of the motorways under concession. For the year ended 31 December 2014, the Issuer’s revenues (excluding the Surcharge, as defined in “*Tariffs*”) and EBITDA were €300.8 million and €158.2 million respectively, compared to €285.8 million and €159.5 million for the year ended 31 December 2013. Net toll revenue of the Issuer (including Surcharge) accounted for 94% of revenues for the year ended 31 December 2014. Toll revenues are a function of traffic volumes and tariffs charged. Tariff rates applied to the Issuer are regulated in accordance with Italian law and the Concession Agreement. Adjustments in tariff rates are made on an annual basis and determined in accordance with the Concession Agreement.

The registered office of the Issuer is at Via Flavio Gioia 71, 37315 Verona, Italy and its main telephone number is +39 0458272222. Autostrada Brescia Padova is registered with the Companies’ registry (*Registro delle Imprese*) of Verona under number 03614140238.

Issuer’s Strengths

A critical and mature infrastructure asset operating in a highly attractive catchment area

Given their location and the traffic volumes handled, the Motorway Assets operated by the Issuer represent key infrastructure assets for Northern Italy and Italy as a whole. According to AISCAT data as of 31 December 2014 the Issuer is the sixth largest operator in Italy by length of network under management, managing 221.58 km of toll-roads currently in operation with an Annual Average Daily Traffic (“**AADT**”) equal to approximately 85,877 vehicles in 2013, and 87,301 in 2014 in the A4 stretch from Brescia to Padova, 27% of which is heavy vehicles.

Moreover, the Issuer operates in a highly attractive catchment area. Italy, and Northern Italy in particular is a key region for motorway traffic in Western Europe given that Northern Italy has the highest per capita passenger car ownership rate in Western Europe (0.62 passenger cars per inhabitant as of December 2013). A number of key tourist and business destinations are located along the A4 motorway operated by the Issuer, including Verona, Padova and Trentino Alto Adige. The Lombardy, Veneto and Trentino Alto Adige regions

represent a major part of the industrial heartlands of Italy, accounting for 33% of Italy's GDP in 2012 and 26.3% of Italian population (source: ISTAT 2012). Finally, the A4 motorway is an essential link in the E70 corridor, a class A European road connecting Western to Eastern Europe from Spain to Georgia that passes through ten countries in Europe. The Issuer operates in an advantageous location since there are no viable competitive alternative routes to the section of the A4 motorway governed by the Concession Agreement.

Longstanding track record of managing and expanding motorway assets

The A4 Group is an experienced operator, having run portions of the A4 and managed the relationship with the Grantor for more than 50 years. In particular, regular interaction with the Grantor (directly through the relevant concession agreements and, indirectly, through the association representing concessionaires of motorway assets (AISCAT)) allows the Issuer to manage all inspection and control activities of the Grantor minimizing the impact of such activities on the day to day operations of the Issuer.

Transparent and protective regulatory framework supporting the principle of financial equilibrium

The concession is governed by the Concession Agreement which unifies and consolidates all previous concession agreements in one single agreement and which became effective on 4 November 2009. The Concession Agreement regulates the concession relationship between the Issuer and the Grantor, and includes a regulated assets based tariff mechanism that aims to provide a fair return on investments for the Issuer.

Furthermore, the Concession Agreement provides for a Termination Value in all scenarios which is substantially equal to the net book value of tangible assets.

Solid and resilient operating and financial results with robust cash flow dynamics

Traffic levels on the Motorway Assets have proven to be resilient to economic shocks, including the major economic downturn in Italy in 2008 and 2012, due to several factors: (i) the pass-through nature of traffic using the Motorway Assets (from Western Europe to Eastern Europe and vice versa), which is less correlated to Italian GDP than traffic using other Italian motorways and accounted for 31% of 2013 total traffic, (ii) the tourism in the area surrounding the motorways which draws traffic from neighbouring countries, (iii) the absence of alternative routes in the area, (iv) the diversified nature of the traffic base (which includes a mixture of commuter, business, urban and commercial traffic), and (v) the balanced distribution of traffic through the year. As a result, although traffic levels fell in 2010-2012, they did not drop as much as traffic levels on other Italian roads.

In the last decade, tariffs increased by approximately 35% acting as a favourable rebalancing mechanism. In particular, the K factor, introduced in 2006 and made effective for the Issuer later in November 2009 (see "*Description of the Issuer—Calculation of motorway toll tariffs*"), has been the main contributor to tariff increase (according to Law No. 286/2006 and CIPE resolution No. 39/2007, effective for the Issuer since November 2009). Adjustments to the K factor have been considerable from 2010 due to the high investments undertaken, mostly related to construction of the A31 Valdastico Sud motorway. As a consequence, the Issuer's financial results have been stable with revenue growing at annual CAGR of 4.4% in the last 10 years over the period 2005-2014, showing resilience throughout the 2008 financial crisis and the 2011/12 European sovereign debt crisis. Revenue growth has consistently outperformed Italian GDP growth for nine consecutive years, since 2006, thanks to tariff growth which has compensated for the slight decline in traffic.

The Issuer's EBITDA has remained stable with a margin which has consistently been above 50% in the last two years. The Issuer's strong cash generation historically has been used to fund capital expenditures carried out to complete the investment plan included in the Concession Agreement which more recently has mainly related to the completion of the A31 Valdastico Sud motorway.

Significant anticipated tariff upside due to the A31 Valdastico Nord project with limited construction risk

The A31 Valdastico Nord project is a 39.1 km extension starting from the current end of the A31 Valdastico highway in Piovene Rocchette, Vicenza, to the A22 Brennero motorway connection in Besenello, Trento province. The extension is part of the Concession Agreement. The construction of Valdastico Nord was included in the list of works of strategic importance to the nation by the CIPE in 2010 and it is considered a "Transnational Route" and, therefore, allowed to apply for public financing from the European Investment Bank under the EU Ten-T programme for Trans-European Transport Networks. The Issuer will act as

concessionaire for the project and will therefore be entitled to an immediate tariff increase on the Motorway Assets for the capital expenditures spent to develop the project, as well as to an increase of the Termination Value payment calculated as per the existing Concession Agreement.

The design for execution (“*Progetto Esecutivo*”) of the project and the construction contract will be awarded to a top-tier contractor through an integrated contract (“*Appalto Integrato*”) whereby the selected contractor will be a single point of liability, for a fixed price and a scheduled time of delivery. Therefore, the contractor will essentially bear the risks for all construction phases, including any eventual cost overruns, thanks to the pass-through clause contained in the relevant contract (“*Clausola Passante*”). In case of any cost overruns, such clause will impose the following:

- the contractor will notify the Issuer of the extra costs; and
- the Issuer will evaluate the reasons for the extra costs and will communicate them to the Grantor.

If the Grantor approves the extra costs, they will be included in the PEF and in the Termination Value payment; only at that time will the Issuer recognise such increased cost in the Appalto Integrato.

If the extra costs are not approved by the Grantor, the contractor will have to assume the extra costs as the construction contract will be based on a fixed price and a scheduled time of delivery.

Superior attention to road safety and environmental risks

Safety is undoubtedly one of the most important factors in the quality of service provided to customers in the Issuer’s industry. For this reason, leveraging the experience and competence over time and the use of advanced technology, the Issuer has undertaken important initiatives and actions to promote safety, including safety barriers, safety stops, and illumination systems.

Safety installations on the road include companion systems, message screens, S.O.S. points, and average speed detection systems.

The Issuer also pays significant attention to environmental conservation, and continuously monitors environmental impact before, during and after road works. Its anti-pollution efforts consist of a wide array of systems and installations, including rainfall collection systems, safeguarding of local hydrological conditions, water draining paving, and lower flyovers in order to limit visual impact. The Issuer always determines the route on any new works carefully, in order to safeguard the environmental, historical, orographic and morphological features of the landscape. The Issuer’s behaviour and attention to safety has allowed the Issuer to reduce the road accident and incident rates by 42% in the last ten year period, reducing in this way also maintenance costs.

Experienced Management Team

The senior management team of the Issuer has substantial experience in the infrastructure industry and a proven track record in managing timely capital expenditures delivery with more than approximately €1.9 billion of capital expenditures managed in the past 10 years, ensuring solid technical standards and a high quality of service.

Senior managers have a unique ability to manage relationships with the public administration and have been able to build a longstanding relationship with the Grantor. Management can also leverage a mix of expertise in other industries, namely finance, general management, and related industries such as the construction sector. The Issuer can also count on an experienced middle management team with low turnover, who can effectively plan and successfully implement the Issuer’s long-term strategy.

Issuer's Strategy

The Issuer's strategy is to generate a reasonable return on capital and ensure sustained value creation for its shareholders by fulfilling its obligations under the Concession Agreement and, in particular, completing the investment projects contemplated by the Concession Agreement. The key components of the Issuer's strategy are:

- maintaining a continuous and long-term focus on and commitment to efficiency while maintaining quality of service: the Issuer aims to generate a reasonable return on capital and ensure sustained value creation for its shareholders by fulfilling its obligations under the Concession Agreement. The Issuer will pursue a policy of cost efficiency in the maintenance of the motorways and intends to further improve the quality of service by executing ordinary maintenance and improvement works as agreed with the Grantor in the Regulatory Plan;
- implementing new investments in accordance with the Concession Agreement and successfully completing works in progress, with particular reference to the completion of the North and South stretches of the A31 Valdastico motorway: the Issuer aims to execute on the investment plan agreed with the Grantor, which includes further road extensions, namely a piece of the A31 motorway, at each end of the spur, Valdastico Sud from Agugliaro to Santa Margherita d'Adige (14.1 km) and Valdastico Nord from Piovene Rocchette north to Trento (39.1 km). The Issuer believes these road extensions will generate significant traffic upside on the existing A31 Valdastico segment. The capital expenditure required to complete these works will be included in the regulated asset base and will generate an immediate regulated return for the Issuer. The Issuer will continue to pursue its investment strategy while maintaining a prudent financial policy which will take into consideration the amount of the Termination Value payment which the Issuer is entitled to receive at the end of the Concession Agreement;
- offering the highest safety standards and preserving the environmental landscape: the Issuer will continue to pursue the highest safety standards on its motorways by continuous preservation of existing infrastructure and focusing on road maintenance works, leveraging on its expertise and using the most advanced technology available. The Issuer will also continue to focus attention on environmental conservation, undertaking continuous monitoring before, during and after road works, promoting anti-pollution efforts through a wide array of systems and installations and pursuing noise reduction. Planning for new routes will be influenced by the Issuer's goal to safeguard the environmental, historical, orographic and morphological features of the landscape. By doing so, the Issuer believes that it will achieve further improvements in its road accident and incident rates, which ultimately will generate further traffic on our motorways, with a positive economic and social impact for the regions where the Issuer operates and Italy as a whole.

History

The motorway company Brescia Verona Vicenza Padova S.p.A. (currently A4 Holding and the sole shareholder of the Issuer) was originally set up in June 1952 as a result of an alliance between public and private entities from seven provinces: Milan, Bergamo, Brescia, Verona, Vicenza, Padova and Venezia.

On 12 July 1956, ANAS (known at the time as *Azienda Nazionale Autonoma delle Strade*) granted A4 Holding permission to build and manage the stretch of the A4 motorway that goes from Brescia to Padova. The proposed infrastructure was intended to link the pre-existing motorways between Milano-Brescia and Padova-Venezia, thus supporting the link between the chief towns in the Lombardy and Veneto regions, with a route that would serve all major towns in those regions. In February 1962 the whole section was opened to traffic.

In 1985, A4 Holding merged with Società Concessionaria Autostrada Trento-Valdastico-Vicenza-Riviera Berico-Rovigo S.p.A., taking on the concession for the construction and management of the A31 Valdastico from that company.

Following the merger, the Issuer also took on the concession to build and manage the A31 Trento-Valdastico-Vicenza-Riviera-Berica-Rovigo as well as the south ring roads of Verona and Vicenza.

In 1992, A4 Holding built and managed multiple feeder road connections, including the alternative route to S.S. 11 connecting Lonato and the Desenzano toll booth and the connection of the Verona south toll booth with the municipal road network.

In 1999, as a result of an amendment to article 19 of Italian law No. 136 of 30 April 1999, the company was permitted to change its corporate charter and was awarded the concession to build and manage the A4 motorway, section Brescia-Verona-Vicenza-Padova, the A31 Trento-Valdastico-Vicenza-Riviera-Berica-Rovigo, together with some other minor bypass roads, ring roads and feeder road connections. On 9 July 2007, the signing of a draft agreement with ANAS extended the Concession Agreement until 2026.

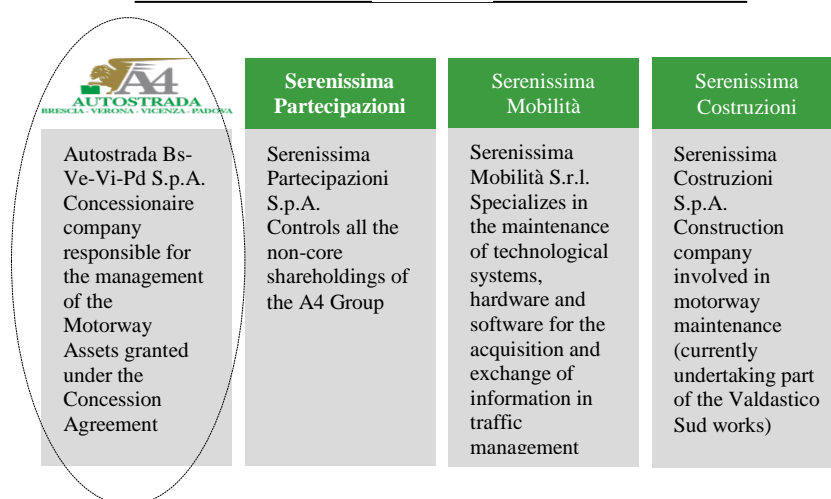
The Concession Agreement was approved by Law no. 101 of 6 June 2008, implementing Law Decree No. 59 of 8 April 2008 entitled “*Urgent provisions for the implementation of Community obligations and enforcement of judgment of the Court of Justice of the European Communities*”.

Since 2010 the motorway sector in Italy has undergone a broad reorganisation process aimed, *inter alia*, at achieving substantial management and financial segregation between concession activities and non-concession activities carried out by each main operator.

Accordingly, in 2011 the A4 Group completed its reorganisation process.

As a result, on 6 December 2011, A4 Holding became a holding company, changed its name to “A4 Holding S.p.A.” and, further to the Grantor’s approval, transferred all its assets and activities related to motorway concession management and ownership (including the Concession Agreement) to the Issuer, with the aim of achieving substantial management and financial segregation between the activities covered by the Concession Agreement and the other unregulated activities of the A4 Group.

The reorganisation resulted in the consolidation of the concession activities of the Issuer with a clear separation from A4 Holding and A4 Group (as shown in the chart below). As of today, regulatory restrictions, coupled with active regulatory oversight, prevent the Issuer from providing material financial support to the A4 Group companies.



De-linkage

Restriction on distributions and other activities

Under the Concession Agreement, the amounts that can be distributed by the Issuer to its shareholders cannot exceed in any given year the amounts indicated in the Regulatory Plan (as defined below) agreed between the Grantor and the Issuer; also, under the Regulatory Plan, dividend distributions are capped during the period 2014-2026, taking into account the investments made as well as the financial stability of the Issuer.

Restriction on guarantees

In accordance with corporate benefit restrictions under Italian law as well as debt assumption restrictions under the Concession Agreement, the Issuer's ability to issue financial guarantees in favour of companies in the A4 Group is restricted. Further, any merger activity is restricted by the Concession Agreement and no extraordinary transactions can be carried out without the prior approval of the Grantor.

Independent Directors

The board of directors of the Issuer includes two directors who meet the requirement of independence and qualify as independent directors in accordance with CONSOB Regulation No.11971 of 14 May 1999 (as amended).

Board of Statutory Auditors

The Statutory Board of Auditors of the Issuer includes a member designated by the Grantor and another designated by the MEF.

Restrictions on Intercompany transactions

As regards contractual arrangements, all contracts with A4 Group companies are carried out on an arm's length basis, while contracts with the affiliate companies Serenissima Costruzioni S.p.A. and Serenissima Mobilità S.r.l. (which are the main intra-group contracts to which the Issuer is a party) are based on fixed prices.

The Issuer has not assumed vis-à-vis third parties any equity contribution obligation in respect of its subsidiaries.

Extraordinary transactions

The Concession Agreement (and any payments/rights associated with it) cannot be further transferred to any other member of the A4 Group.

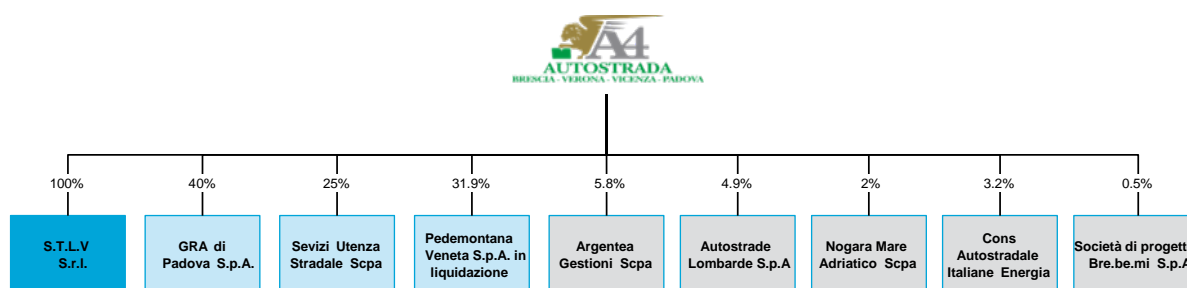
Under the Concession Agreement any extraordinary transaction involving the Issuer is subject to the previous consent of the Grantor.

Absence of exposure to tax obligations of A4 Group

The Issuer is not exposed to any additional tax obligations deriving from it being part of the A4 Group.

Corporate Structure and Description

The following chart sets forth the levels of ownership of the principal shareholdings of the Issuer as of the date hereof.



The Issuer's subsidiaries and other companies in which it holds shares are small in size and represent in aggregate a book value of €28.9 million as of 31 December 2014. In accordance with the Grantor's instructions, the Issuer will not provide material financial support to subsidiaries and other such companies. In particular, the Issuer is not allowed to subscribe any capital increase in any of its subsidiaries and other such companies unless the relevant capital increase has been approved by the Grantor. None of the Issuer's subsidiaries and other such companies has a strategic value for the Issuer itself or for its business.

As of 31 December 2014, the Issuer has an outstanding loan to Società Tangenziali Lombardo Venete S.r.l. for a principal amount of Euro 4,530,480.00, with a spread of 0.5 basis points over the current cost of indebtedness of the Issuer. As of 31 December 2014, the Issuer has 4 outstanding loans to 4 of the companies in which it holds shares which do not bear interest. As of 31 December 2014, the aggregate principal amount of the above mentioned loans is equal to Euro 5,610,768.

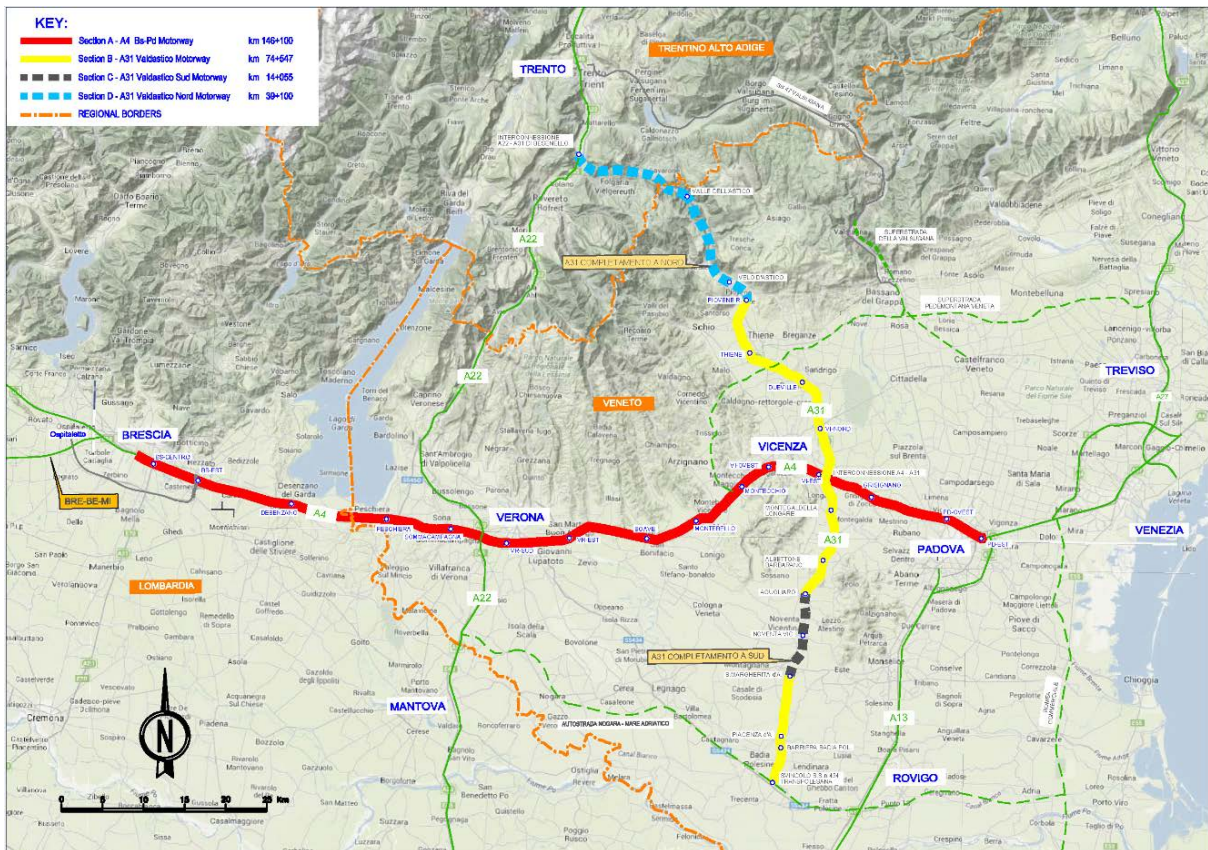
Description of Motorway Assets

The Issuer is effectively a single purpose company holding a concession granted by the MIT for the construction, operation and maintenance of the Motorway Assets which runs until 31 December 2026.

The Motorway Assets

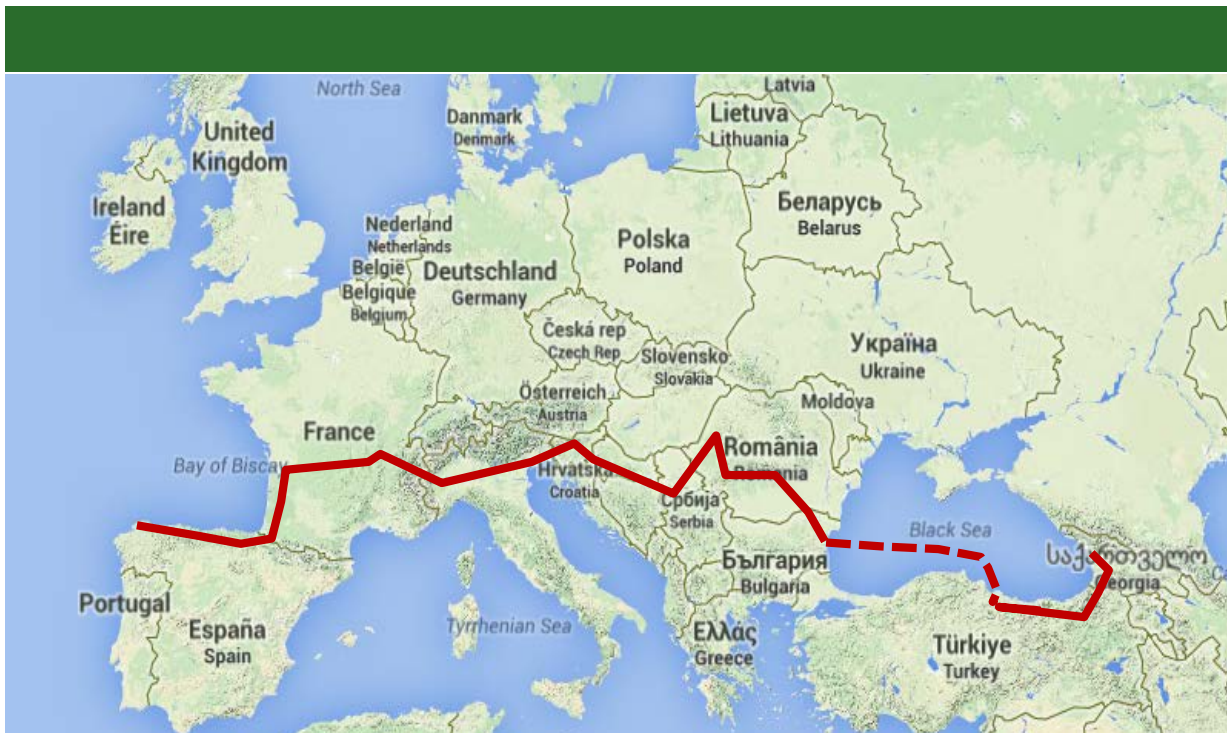
The motorway assets operated by the Issuer currently consist of the assets described below, which cover 274.5 km of roads (of which 221.58 km are currently in operation) (collectively the “**Motorway Assets**”), operated under a closed system (i.e. the tariff applied is a direct function of km travelled):

- The A4 motorway starting between the toll stations of Brescia Ovest and Brescia Centro (km 217.700) and ending immediately after the junctions of the Padova Est (km 363.723) toll station, with a total length of 146.023 km (“**Section A**”). This stretch has been fully operational since 1962. For the year ended 31 December 2014, Section A generated 93.61% of all Motorway Asset traffic and 94.18% of the Issuer’s net toll revenues;
- The A31 Valdastico motorway in two stretches: (i) starting from the connection with the SS434 (the Transpolesana highway) (0.000 km) before Badia Polesine toll station to Santa Margherita d’Adige (18.047 km); and (ii) starting from the Agugliaro exit (32.100 km) and ending at the Piovene Rocchette exit (88.600 km) with a total length of 75.48 km (“**Section B**”). This stretch has been operational at different stages and fully operational since 2014. For the year ended 31 December 2014, Section B generated 6.39% of Motorway Asset traffic and 5.82% of the Issuer’s net toll revenues;
- The A31 Valdastico South, starting from the Agugliaro exit and ending at Santa Margherita d’Adige for a total of length of 14.1 km (“**Section C**”). This section is scheduled for completion by June 2015 (as of the date of this Prospectus 92% of the construction works have been completed);
- The A31 Valdastico North, starting from the current end of the A31 motorway at Piovene Rocchette (province of Vicenza) and connecting to the A22 Brenner motorway in Besenello, Province of Trento with a total length of 39.1 km (“**Section D**”). This stretch is a greenfield project and is expected to be operational from 2023; and
- A series of additional links between highways and ordinary roads, namely Raccordo Tangenziale di Verona, Raccordo Tangenziale di Vicenza, Raccordo Tangenziale di Padova (“**Section E**”).



The Motorway Assets: Section A

Section A is at the very centre of a key section of the E70, a class A European corridor road connecting La Coruna (Spain) to the Georgian port of Pot, thus benefiting from long haul pass-through traffic from Western to Eastern Europe and *vice versa*.



Section A is an important part of the larger northern Italian international transit corridor, the west-east Turin-Trieste axis, which crosses the most productive areas of northern Italy and carries both long distance and local

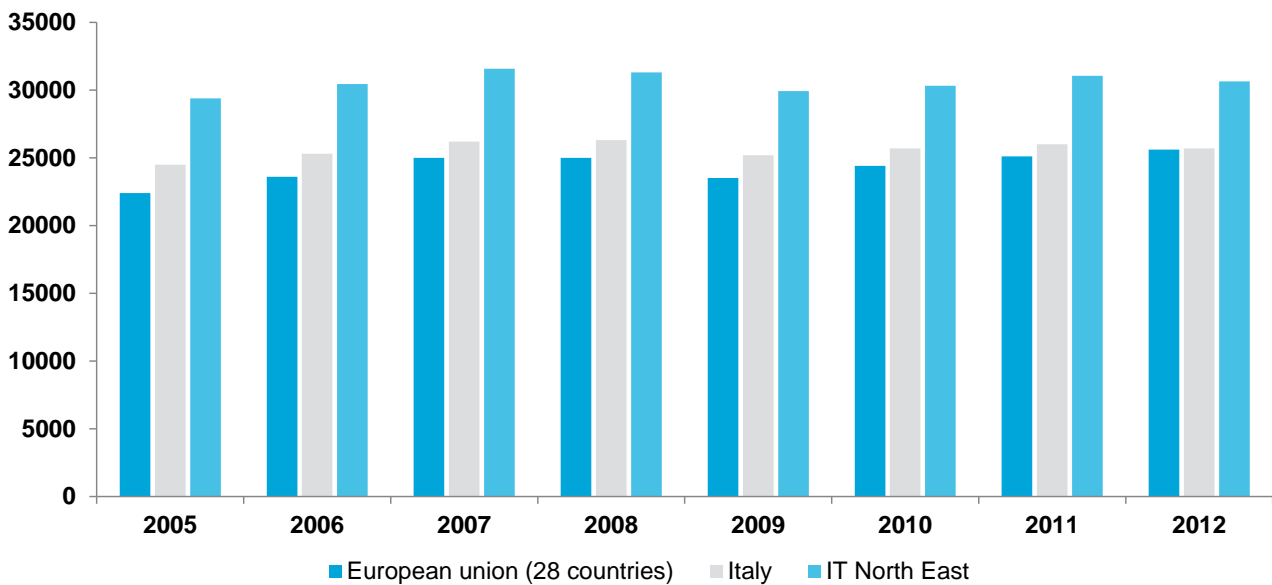
traffic. The whole A4 stretch between Turin-Trieste is one of the most heavily used motorways in Italy, with an **AADT** in 2013 of approximately:

- 104,921 vehicles on the Torino-Milano stretch (of which 25,163 were heavy vehicles);
- 270,239 vehicles on the Milano-Brescia stretch (of which 56,759 were heavy vehicles);
- 262,151 vehicles on the Brescia Padova stretch (of which 61,827 were heavy vehicles); and
- 168,532 vehicles on the Padova-Trieste stretch (of which 39,296 were heavy vehicles).

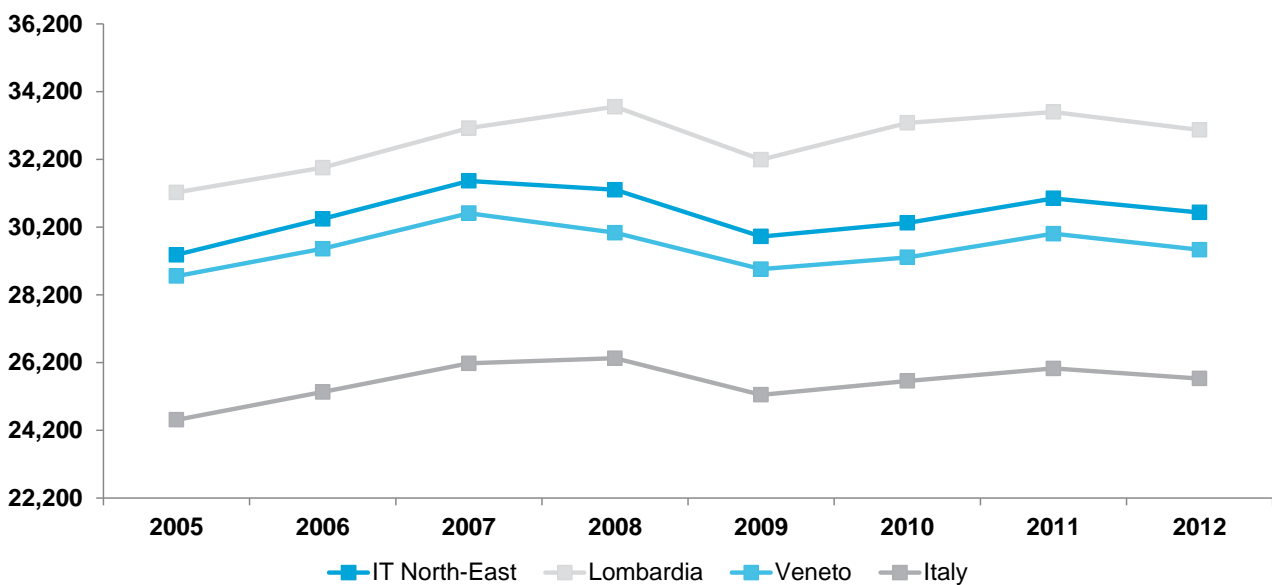
In 2014, the AADT on the Brescia-Padova stretch was of 265,341 vehicles, of which 62,179 were heavy vehicles.

In addition, Section A is positioned in a strong catchment area, represented by the regions of Lombardy and Veneto, two of the most populous and economically developed regions of Italy.

GDP per Capita - EU and Italy Breakdown (*)



GDP per Capita - EU and Italy Breakdown (*)



* Sources: Istat, Eurostat

Section A is divided into two independent carriageways, each consisting of three lanes plus the emergency lane, separated by a central reservation which is protected by a triple corrugated metal barrier installed along the whole stretch from Brescia to Padova. Crossing points are placed on the central reservation at intervals of approximately two km and can be used if necessary to switch carriageways and divert traffic on to the opposite carriageway.

The Motorway Assets: Sections B/C/D

Sections B, C and D represent a crucial artery to connect traffic from Germany/Austria to Northern Italy along the west-east A4 corridor and to Central/Southern Italy via the A1 motorway. Sections B, C and D have been qualified by the Government as a strategic infrastructure project in accordance with Law No. 443 of 21 December 2001 (the so called “*Legge Obiettivo*”), and included in the relevant list of such projects as set out by the Comitato Interministeriale per la Programmazione Economica (“**CIPE**”). Pursuant to Law No. 443 of 21 December 2001, the construction of strategic infrastructures is of major national interest, and approval of the relevant projects is granted under a fast-track procedure regulated thereunder. The aim of these sections is to divert part of the traffic running along the A22 (Autostrada del Brennero) to the eastern and central regions of Italy, allowing a saving of approximately 60 km compared to the existing A22 alternative route. Sections B, C and D combined represent a total of 128.1 km. Section B (74.547 km) has been fully operational at different stages since 2014. It is divided into two independent carriageways, both consisting of two lanes plus an emergency lane, separated by a central reservation protected by a triple corrugated metal barrier. Crossing points are located along these barriers at intervals of about 2 km, which in case of need (e.g. traffic jams, road works) can be opened to divert traffic on to the opposite carriageway.

Section C (14.1 km) is expected to be opened to traffic in June 2015, in accordance with the Update of the Regulatory Plan.

The Update of the Regulatory Plan provides that construction works for Section D (39.1 km) will commence in 2017 and it is currently forecasted that completion of this Section will be achieved in 2023.

Toll Collection

As at 31 December 2014, there were 25 toll stations on section of motorway comprising the Motorway Assets. The Issuer is increasing automation on the Motorway Assets 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 Motorway Assets can choose between a wide range of automated payment systems, including:

- the Telepass system, a technology through which on board 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 all of the Motorway Assets; and
- note and coin machines, which accept automated cash toll payments without an attendant.

The Issuer 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 Motorway Assets categorised by payment method for the years 2013 and 2014.

Ways of payment at the tollbooth (exit transit)

Section A + Section B	Tollbooth form of payment (exit transit)								Total
	TLP Telepass	SC Scalare	ES Free	CO Cash	CD Credit Card	C/C Bank Account	BC Pos	Others	
Jan.-Dec. 2013	66.31%	0.95%	0.03%	24.07%	2.53%	3.46%	2.29%	0.36%	100.00%
Jan.-Dec 2014	67.73%	0.87%	0.01%	22.34%	2.77%	3.25%	2.58%	0.46%	100.00%

Traffic and Motorway Assistance Services

Safety represents one of the most important aspects in the quality of the service provided by the Issuer to its customers.

With this objective in mind, the Issuer carries out the following ancillary activities in accordance with the Concession Agreement.

The Issuer has constantly performed its tasks accurately and therefore it has never been subject to material penalties in the performance of such activities.

Infrastructure

Surfacing

Road surfaces in good condition ensure optimal adherence and reduce the risk of dangerous incidents.

The Issuer has built the roads using draining and sound absorbing surface materials which also helps to improve visibility, to reduce aquaplaning and to contain noise levels both for the motorist and from outside the vehicle. The Issuer monitors the road surface continually to check the degree of wear and tear and to carry out the necessary maintenance operations.

Safety barriers

The use of adequate safety barriers reduces the possibility of lane jumping or overturning and also offers anti-dazzle protection.

Several years ago the Issuer installed triple corrugated guard-rails on the central reservations of Section A which are able to absorb even the most violent impact reducing the damage arising from any collision. As of the date hereof, there have not been any lane departures since these barriers were installed.

This type of structure is considered in the industry to be more effective and less dangerous than the previous central reservations made of cement (as found in New Jersey, for example) and also causes less environmental impact.

A similar structure has been designed to substitute the double corrugated one for Sections B and C.

Lay-Bys

The availability of lay-bys contributes to improved safety by providing a space suitable for the parking of vehicles in case of emergency. On the section pertaining to the Motorway Assets, starting from the interconnection with the Milano-Venezia highway (direction south), the Issuer has provided lay-bys approximately every 500 m and ensures their cleanliness.

Illumination Systems

The installation of adequate illumination systems at the most critical points improves visibility at night or in conditions of poor visibility. The Issuer has installed illumination systems in the tunnels, toll station approaches and junctions, and has them checked continually for correct functioning.

Road signs and marking

The use of adequate road signs and markings, in compliance with Highway Code regulations, is necessary in order to ensure correct transit.

The whole stretch under management is equipped with adequate road signs and markings. Moreover, a reflective strip with small sound bands has been positioned on the right hand side of the carriageway to warn motorists that they are driving onto the emergency lane.

All road signs and markings are monitored periodically and substitution or updating is carried out where necessary.

Monitoring of structures

Adequate functioning of bridges, viaducts, overpasses, underpasses, etc. is a fundamental element of the safety of the motorway infrastructure.

The Issuer, using the appropriate equipment, carries out periodic tests of the stability of its structures.

On the basis of information received, the necessary regular and/or extraordinary maintenance operations can be planned.

Installations

Companion system

On the stretches Sirmione-Sommacampagna, Soave-Montebello and Grisignano-Padova Est, in the central reservation, on both carriageways and for a total of 48 km, the Issuer has installed an automatic system, called “*Companion*”, which warns motorists of imminent danger by means of illuminated dots activated by radar equipment, by fog sensors or by the Operations Centre.

Changing message screen

The Issuer has installed changing message screens informing motorists of conditions of access to toll stations and to notify the customer of traffic conditions before they enter the motorway; other information is transmitted on electronic panels on the entrance lanes to toll stations. 39 variable message systems (VMS) have been installed about every 10 km along the motorway route in order to provide the user with all sorts of information. These screens are placed about two kilometers before the toll station exits and/or at motorway junctions so that the user may choose whether to continue along the motorway route on the basis of the information received. The screens show two pictograms describing the cause or the type of event and its effects on the traffic flow and a written short message stating the stretch involved and/or other useful information concerning the cause or the effects of the event.

Finally, two screens on the route and three screens near entrance points have been installed on the South orbital road of Verona.

S.O.S. Points

The Issuer has installed S.O.S. columns located every 2 km equipped with multi-language instructions which allow the user to communicate with the operator’s Operations Centre, which can also display the caller using the camera located on the control panel and send messages. The keys can also assist rescue mechanical or medical assistance. For ease of use at night a presence sensor turns on the backlight of the buttons and the display.

Detection system of the average speed of vehicles

The Issuer, in consultation with the Department of Public Security of the Ministry of Internal Affairs, has installed a system for detecting the average speed of vehicles, commonly called “**TUTOR**”, in some sections of the motorway:

Towards Venezia:

- from km 225.922 to km 242.030 Brescia Est-Desenzano; and
- from km 256.750 to km 268.750 Peschiera-Sommacampagna.

Toward Milano:

- from km 273.450 to km 260.440 Sommacampagna-Peschiera; and
- from km 246.250 to km 231.950 Desenzano-Brescia Est.

The system is managed directly by the traffic police. Special panels have been installed reporting information to users.

Service Areas

As at 31 October 2014 there were 14 service areas on the Motorway Assets (12 of them on Section A, two on Section B and Section C), six parking areas and one car park. All service areas include full-service petrol stations and most include self-service minimarkets and food and beverage points. Some service areas include additional services such as motels, repair garages, shops and information services.

All the fuel and food distribution services which are located in the service areas of Section A are assigned under sub-concession agreements which date back to the early 1960s and which provide for the sub concession of the service and parking areas together with the planning, the realization of the facilities necessary to the services to be supplied and the related management. All the works for the exercise of the sub-concession agreements will be transferred, in good maintenance conditions, at the expiry of the Concession Agreement.

The main part of the sub-concession agreements with the tenants of the service areas will expire on 31 December 2015 and will be re-assigned in return for payment through public tenders.

For the year ended 31 December 2014, the management of the service areas resulted in royalties related revenues equal to €12,876,555, compared to €12,937,679 for the year ended 31 December 2013, representing a decrease of -0.47% (€1,124).

For the year ended 31 December 2014, as in previous years, all activities relating to the management of the contractual relationship with the sub-concessionaires, appointed for the management of the oil and non-oil services rendered in the service and parking areas provided in the Concession Agreement have been the responsibility of Serenissima Trading S.p.A. (an A4 Group company) pursuant to a mandate granted to Serenissima Trading S.p.A. on 12 September 2013, as amended on 5 May 2014, to act in the name and on behalf of the Issuer.

Under the mandate, Serenissima Trading S.p.A shall in the name and on behalf of the Issuer (which in any case remains the holder of the relationships with the counterparties): (a) set out the economic strategic plans which relate to all aspects of the Issuer's activity relating to the services to be rendered in the service areas; (b) conduct the negotiations for contracts to be entered into subject to the Issuer's approval; (c) manage and settle disputes; (d) carry out marketing activities to improve commerce and promotion of the services offered in the service areas; (e) define and implement public relationship; (f) define and implement commercial policies; and (g) plan and develop investment plans.

Moreover, if sub-concessionaires are in breach of their obligations and such breaches may compromise the efficiency of the infrastructures and/or the quality of the services assigned to the sub-concessionaires, Serenissima Trading S.p.A. shall be entitled to either sue the relevant sub-concessionaire before any relevant court or carry out the services on its own but at the cost of the sub-concessionaire up to the maximum amount allowed by the procedural guidelines set forth by the AISCAT (*Associazione Italiana delle Società Concessionarie per la costruzione e l'esercizio di Autostrade e Trafori stradali*). In this latter case Serenissima Trading S.p.A. shall indemnify and hold the Issuer harmless from any consequence thereof.

The consideration provided to Serenissima Trading S.p.A has been established under market standard criteria considering the activities entrusted to it under the mandate. In particular, the Issuer pays to Serenissima

Trading S.p.A a commission made up of a variable fee and a forfeit fee, which includes also the reimbursement of expenses (unless they relate to the management and settlement of disputes, in which case shall be directly borne by the Issuer). Such consideration is recorded in the Issuer's financial statements under "Service costs".

The mandate shall remain in place until the expiry of the Concession Agreement.

The mandate given to Serenissima Trading S.p.A. has permitted a renewal of the facilities and the adjustment of supply to the evolution of demand, and an update of the contractual regime.

Intellectual Property

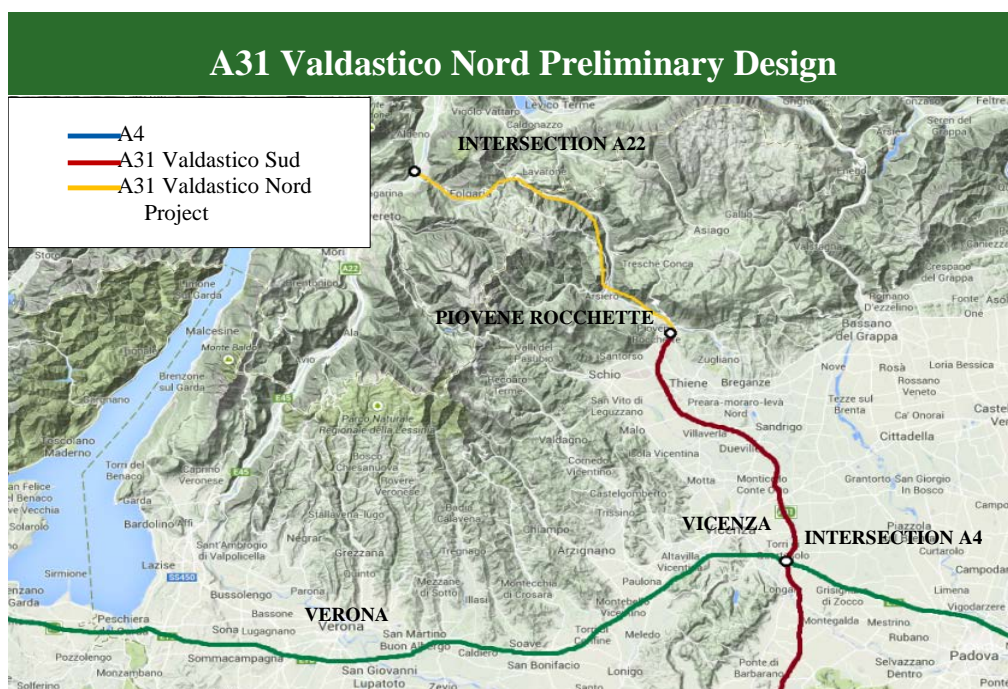
The only intellectual property right owned by the Issuer is its logo.

Projects under construction

The A31 Valdastico Nord project

Among the investments which are still to be carried out, the A31 Valdastico Nord project (Section D) (the "Valdastico Nord") represents the main one under the Concession Agreement.

The Valdastico Nord project comprises a 39.1 kilometre extension from the current end of Section B (Piovene Rocchette-province of Vicenza) to the A22 Brennero motorway in Besenello, Province of Trento.



Valdastico Nord was planned in the MIT's "Regional Transport Plan" of 2005 and in the road system "Multi-Annual Plan 2003-2012". It is one of the top priorities among Italian infrastructure projects, and is included in the list of strategic infrastructure projects of the CIPE.

Pursuant to its obligations under the concession agreement, the Issuer submitted to the Grantor a preliminary design, approved by its Board of Directors on 23 September 2011, which, on the basis of preliminary estimates and forecasts, indicate that the total cost of the project will be €1,408 million (net of any rebate during the auction).

As regards the approval process of Valdastico Nord by the relevant public entities, the preliminary design of the stretch of the Valdastico Nord project located in the Veneto region was approved by a decree of the Regional Council of Veneto No. 2451 of 4 December 2012. However, the approval of the complete preliminary design of the Valdastico Nord project was prevented by opposition from the Trento province in relation to the stretch to be located in that province (15.1 km out of 39.1 km total).

The plan for the first functional section of the Valdastico Nord was submitted to the CIPE which on 18 March 2013, with resolution No. 21, approved the technical aspects of the preliminary design and requested the final design of the entire Valdastico Nord project from the MIT by 30 June 2013. The European Commission subsequently agreed to defer that deadline of 30 June 2013 which is now 30 June 2015.

In order to overcome the opposition of the Province of Trento referred to above, the MIT commenced a procedure under Article 165, paragraph 6 of Legislative Decree No 163 of 2006 (the “**Code of Public Contracts**”), which is aimed at ensuring the approval of strategic infrastructure projects in circumstances where a region or an autonomous province (such as the Province of Trento) has refused its approval of a project. On 10 November 2014 the CIPE approved the launch of the procedure, which should end with a decree of the President of the Republic, based on a resolution of the Council of Ministers, at the proposal of the MIT, following a consultation with the parliamentary commission for regional affairs. Such decree is expected to result in the final approval of the design of Valdastico Nord.

For the risk associated to the approval procedure of the Valdastico Nord, see “*Risks Relating to the Business of the Issuer— The Concession Agreement may be terminated early if the Issuer fails to obtain approval of the Valdastico Nord final project*”.

Industry overview (as at 31 December 2014)

The Italian toll and non-toll motorways, including tunnels, bridges and viaducts (the “**Italian Motorway Network**”) consists of 6,757.8 km of motorways, 5,820.1 km (as of 31 December 2014) of which are toll motorways operated under concession agreements.

The Italian Motorway Network is split into 60 stretches managed by 24 concessionaires. The two concessionaires with the highest number of kilometers under management (Autostrade per l’Italia and SIAS) manage approximately 4,131 km in aggregate, with a market share of 71% as of 31 December 2014.

Competition

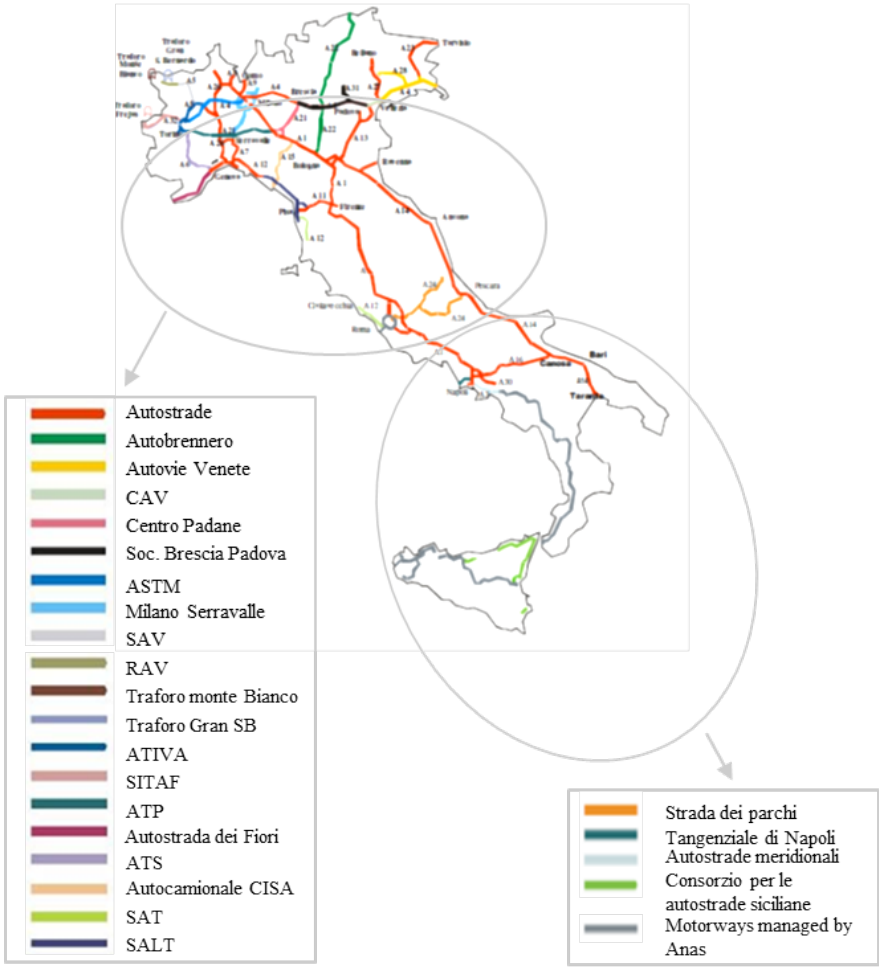
The Issuer may face competition risks from the opening of new roads planned in the area covered by the Concession Agreement, as the opening of these new routes might have a negative impact on traffic demand. In particular, the demand for traffic on Section A is likely to be impacted by the opening of the Superstrada Pedemontana Veneta in 2018.

However, taking into account that the preliminary planning of alternative routes was implemented before the depression that hit Europe and especially Italy in recent years, and that the current economic scenario and resultant traffic volumes pose a significant challenge for the successful implementation and eventual ramp-up of competing routes, management believes that competition risk is relatively low for the Issuer as many projects are reasonably likely to experience delays.

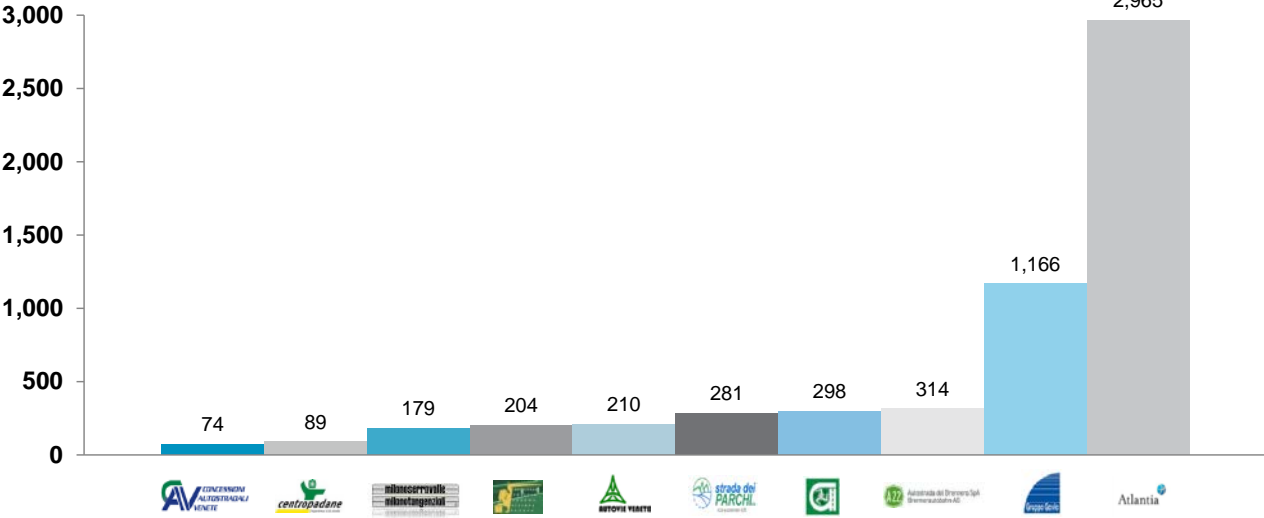
The Update of the Regulatory Plan already takes into account any impact on the traffic volumes which might derive from the opening of new toll motorways.

Finally, it is to be noted that no high speed railway is currently in place between the towns of Brescia and Padova or between Milano and Venezia.

Italian Motorway Map



Main Operators by Network Under Management (Km) ⁽¹⁾



(1) AISCAT Data as of June 2014. As mentioned above the Issuer is currently managing 221.58 km of toll-roads.

Taking into account its predecessor entities, the Issuer is one of the longest established motorway operators in Italy, with a track record of more than 50 years in the operation, maintenance and construction of motorways.

Other operational activities

Traffic flow

One of the most important elements of the motorway service is the flow of traffic.

To this end, the Issuer has identified and carried out several measures in order to render the journey safer and the traffic flow smoother. The Issuer normally guarantees the customer use of the whole three-lane infrastructure for Section A and of three lanes for Section B and Section C, with the exception of those stretches which from time to time have road works for maintenance of structures or for other causes beyond the Issuer's responsibility, such as accidents.

Road works

Careful management and planning of road works on the Motorway Assets, as well as the use of road signs and travel news broadcasts, help to reduce inconvenience to motorists and improve safety.

In addition to informing motorists of road works by way of digital road signs and panels with changing messages placed at entrances and along the route, the Issuer, where compatible with technical needs and in the worst case, during the day, normally guarantees availability of two lanes per carriageway on Section A and one lane on Section B and Section C, respects deadlines for the duration of road works and limits the latter during periods of particularly heavy traffic flow.

Accidents

In collaboration with the traffic police, the Issuer carries out and/or coordinates the clearing of the road after any accidents that should occur, ensuring timely intervention of emergency services.

Information

Up to the minute broadcasting of road and weather conditions, which are relevant to road safety and traffic fluidity, inform the driver in advance of motorway conditions and make the journey safer and the driver more aware and relaxed.

The Issuer has installed digital road signs with changing messages regarding traffic conditions at motorway entrances and along the route. It has also installed digital panels with changing messages at toll stations in order to provide up to the minute traffic news.

Environmental protection

The Issuer's activities have by their nature an environmental impact, therefore the Issuer has increased the adoption of policies, procedures, technical and organisational solutions and instruments in compliance with all applicable laws aimed at analysing and regulating aspects linked to the environment.

This approach entails taking account of environmental elements such as water, green spaces, land, air, flora, fauna, climatic factors and the landscape, tangible assets and cultural heritage.

For example, in planning new motorway infrastructure, the Issuer uses all the latest anti-pollution systems, including: rainfall collection systems, safeguarding of the water supply, water draining, sound absorbing surfacing materials, lower flyovers to limit visual impact and installation of sound barriers. Particular care is taken in organizing the surrounding landscape, and by carefully setting the route in its environmental, historical, orographical and morphological context. An Environmental Impact Assessment (VIA) is required by the Ministry of the Environment before any new work is undertaken.

For the most significant works, environmental monitoring is also required in order to verify compliance, both during work itself and in the next phase of operation, with the environmental conditions laid down in the Environmental Impact Study.

The Issuer, in order to reduce noise environmental impact, in addition to sound-absorbent surfacing, has built over 60 km of noise barriers, is completing another 6 km of noise barriers and has set up a plan of abatement and containment of noise, which sets out a general program of interventions to mitigate noise for the next 15 years. Another 16 km of barriers are being built along Section B and Section C.

Annually, the Issuer implements an internal program of maintenance of infrastructure and facilities aimed at maintaining safety while improving environmental performance and preventing the onset of emergencies. The Issuer also focuses on differentiation of waste.

In 2004 the Issuer obtained certification of the Environmental Management System from RINA (certificate No. EMS-800/S dated 25 November 2004) in compliance with UNI EN ISO 14001:2004. The main aims of the certification are to adopt an environmental protection policy which ensures compliance of company processes with the relevant legislation, to enable optimal use of the natural resources available, to prevent pollution and to protect the territory.

In order to achieve this, the Issuer has designed an environmental improvement plan.

Business and Operations of the Issuer

Revenues

	EUR million	
	2013	2014
Revenues		
Net toll revenue	268.1	279.8
Surcharge.....	38.9	39.5
Service Areas (Royalties)	12.9	12.9
Other Revenue	4.8	8.2
Total Revenues	324.7	340.3

As consideration for performing its obligations under the Concession Agreement, the Issuer is entitled to receive:

- all of the toll revenues from the Motorway Assets until either the natural expiration or the early termination of the Concession Agreement; and
- a residual value payment (as at the date of the expiry or early termination of the Concession Agreement) linked to net book value of the Motorway Assets, as better explained in the section “*The Concession Agreement*”, and which will incorporate, *inter alia*, all future capex spent on the Motorway Assets (the “**Termination Value**”).

The Issuer derives a significant majority of its revenues from the Motorway Assets through the collection of tolls. Net toll revenues (including Surcharge) of the Issuer accounted for 94% of revenues for the year ended 31 December 2014 and 95% of total revenues for the year ended 31 December 2013.

Toll revenues are a function of traffic volumes and tariffs charged. Tariff rates applied by the Issuer are regulated in accordance with Italian law and the Concession Agreement and periodically updated in accordance with the Regulatory Plan.

As better detailed later in the section “*Update of the regulatory plan (containing the economic-financial plan) at the end of a 5-year regulatory period*”, the Issuer’s financial-economic plan (*piano economico finanziario*) (the “**Regulatory Plan**”) is updated and revised every five years (and in other circumstances such as, *inter alia*, following project approval of the Valdastico Nord and rebalancing of the financials of the Concession Agreement), in each case in accordance with the Concession Agreement. The Regulatory Plan and its subsequent updates and revisions needs to be approved by the Grantor.

On 22 December 2014, the Issuer delivered to the MIT the latest 5 year update of the Regulatory Plan (the “**Update of the Regulatory Plan**”) relating to the period 2013-2017.

At the expiry of the Concession Agreement, the Issuer must hand back the Motorway Assets to the Grantor in excellent condition.

Traffic

The table below sets forth traffic volumes (measured by the number of vehicle kilometers) on the Motorway Assets for light vehicles and heavy vehicles, the percentage variation from year to year for each of the foregoing categories for the last 10 years up to 31 December 2014 and the annual percentage increase in real Italian gross domestic product during this period.

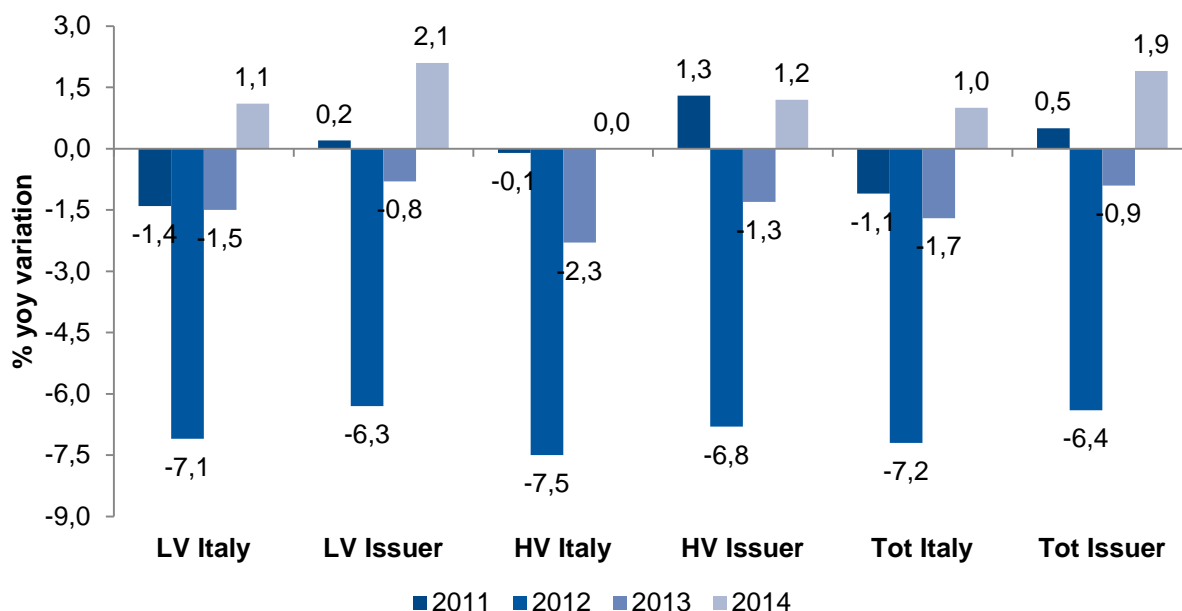
A4 BRESCIA-PADOVA (Section A) + A31 VALDASTICO SUD (Section B)

Year	Vehicle - kilometer (m)				Total	% Variation on the previous year			GDP
	Light	%	Heavy	%		Light	Heavy	Total	
2014	3,647	73.3%	1,326	26.7%	4,973	2.17%	1.33%	1.95%	-0.20%
2013	3,569	73.2%	1,308	26.8%	4,878	-0.76%	-1.58%	-0.98%	-1.90%
2012	3,597	73.0%	1,329	27.0%	4,926	-6.29%	-6.83%	-6.43%	-2.50%
2011	3,838	72.9%	1,427	27.1%	5,265	0.17%	1.29%	0.47%	0.50%
2010	3,831	73.1%	1,409	26.9%	5,240	0.81%	3.75%	1.58%	1.70%
2009	3,800	73.7%	1,358	26.3%	5,158	1.68%	-8.94%	-1.35%	-5.50%
2008	3,738	71.5%	1,491	28.5%	5,229	-1.14%	-2.02%	-1.39%	-1.20%
2007	3,781	71.3%	1,522	28.7%	5,303	2.17%	3.22%	2.47%	1.70%
2006	3,701	71.5%	1,475	28.5%	5,175	3.11%	3.31%	3.17%	2.20%
2005	3,589	71.5%	1,427	28.5%	5,016	0.16%	0.43%	0.24%	0.93%

The demand for motorway services in Italy has historically been driven by macroeconomic factors and has been correlated to Italy's gross domestic product, industrial production, domestic consumption and, to a lesser extent, the price of petrol. These factors explain the decrease in traffic on the Italian motorways in 2008-2009 and in 2012.

Notwithstanding the above, over the period 2010-2014 the Motorway Assets of the Issuer had a strong performance if compared to the Italian Motorway Network as a whole. This performance indicates the resilience of the Motorway Assets in comparison to the overall Italian Motorway Network.

Traffic Trends vs Italy



With regard to the Issuer's traffic data:

- On 30 June 2014, a new stretch of the A31 Valdastico South, ending at Agugliaro, was opened to vehicles for a total length, from Piovene Rocchette to Albettono Barbarano, of 57.43 km;
- On 15 December 2014, a new stretch of the A31 South, from Santa Margherita d'Adige to Badia Polesine, was opened to traffic for a total length of 18.05 km between the two mentioned toll booths.

Therefore, the comparison of traffic trends in terms of percentage increase/decrease between 2013 and 2014 and the average travel time, for the A31 Valdastico, should be evaluated in the light of these changes.

Motorway Asset Users' profile

As result of their strong catchment area and their strategic position, the Motorway Assets have a diversified user base, with a mixture of commuter, business, urban and commercial traffic.

The composition of traffic volumes in the ten-year period 2005-2014 is made up of light vehicles ("LV"), representing approximately 73% of the number of kilometers, and heavy vehicles ("HV") which made up the remaining 27%.

The profile of the users for Section A and Sections B is slightly different, with LV accounting for a higher share of traffic in Section B compared to Section A (78% vs 73%).

As to the monthly traffic trends, the different Sections of the Motorway Assets show similar patterns:

- LV traffic peaks during the summer mainly driven by leisure traffic, while the lowest traffic levels are recorded during the early months of the year; and
- HV figures are almost stable through the year, save for the month of August when the lowest figures are recorded.

Tariffs

As the Motorway Assets are operated under a closed system mechanism, the toll rates applied to the Motorway Assets 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).

Toll collections by the concessionaires are subject to a surcharge, paid directly by the end-user, and later remitted to ANAS (the "Surcharge"). See below the section entitled "Regulatory" for further details on the Surcharge.

All tolls charged on the Motorway Assets are additionally subject to value-added tax ("VAT"). The current VAT rate is 22%.

The following table sets forth tariffs (excluding VAT and Surcharge) charged by each concessionaire operating in the Italian Motorway Network for each relevant vehicle classes from 1 January 2015.

Tariffs effective from 1 January 2015								
(net of art.1, paragraph 1021 Law No. 296 of 27 December 2006 and VAT, applicable at a rate of 22%)								
Company	Stretch	P/M	Types/Class of vehicles Light (A), Heavy (B - 3 - 4 - 5) €/Km					Change as of 1 January 2015
			A	B	3	4	5	
Autostrada Brescia Verona Vicenza Padova S.p.A.		P	0.04775	0.04894	0.05628	0.09300	0.11257	1.50
Autostrada del Brennero S.p.A.		P	0.04514	0.04634	0.05328	0.08805	0.10657	0.00
		M	0.05451	0.05593	0.06432	0.10623	0.12858	0.00
Autostrade Centro Padane S.p.A.		P	0.04563	0.04680	0.05383	0.08895	0.10764	0.00
Strada dei Parchi S.p.A.		M	0.07590	0.07783	0.08956	0.14791	0.17906	1.50
Autostrade per l'Italia S.p.A.		P	0.05159	0.05293	0.06086	0.10055	0.12170	1.46
		M	0.06203	0.06363	0.07317	0.12088	0.14630	1.46
Milano Serravalle-Milano Tangenziali S.p.A.	Milano-Serravalle	P	0.04174	0.04277	0.04919	0.08129	0.09841	1.50
	Tangenziale Est	P	0.10139	0.10399	0.11958	0.19758	0.23918	1.50
	Tang.le Ovest-Terrazano	P	0.07517	0.07710	0.08872	0.14654	0.17736	1.50
	Tang.le Ovest-MI Ghisolfa	P	0.09233	0.09471	0.10892	0.17991	0.21779	1.50
	Tang.le Ovest-Ghisolfa (Arluno, Rho, Marcallo-Mesero)	P	0.03040	0.03118	0.03584	0.05924	0.07172	1.50
	Tang.le Ovest-Milano (A7)	P	0.04385	0.04499	0.05174	0.08549	0.10349	1.50
	Tang.le Ovest-Milano Melegnano	P	0.04300	0.04411	0.05072	0.08377	0.10144	1.50
	Tang.le Nord (Monza, Sesto S.G.)	P	0.09915	0.10170	0.11696	0.19323	0.23391	1.50
Società Autostrada Ligure Toscana S.p.A.		P	0.07216	0.07399	0.09620	0.15538	0.18128	1.50
		M	0.10822	0.11100	0.14428	0.23307	0.27191	1.50
Autovie Venete S.p.A.		P	0.05647	0.05795	0.06662	0.11003	0.13322	1.50
Autostrade Meridionali S.p.A.		P	0.04291	0.05062	0.07922	0.10564	0.12328	0.00
Autocamionale della Cisa S.p.A.		M	0.09703	0.09954	0.12937	0.20897	0.24381	1.50
S.A.T.A.P. S.p.A.	Torino Rondissone-Novara Est	P	0.08192	0.08402	0.09659	0.15964	0.19321	1.50
S.A.T.A.P. S.p.A.	Novara Est-Milano Tangenziale Nord	M	0.08418	0.08634	0.09928	0.16405	0.19853	1.50

Tariffs effective from 1 January 2015 (net of art.1, paragraph 1021 Law No. 296 of 27 December 2006 and VAT, applicable at a rate of 22%)								
Company	Stretch	P/M	Types/Class of vehicles Light (A), Heavy (B - 3 - 4 - 5) €/Km					Change as of 1 January 2015
			A	B	3	4	5	
	Ovest							
Società Autostrada Torino-Alessandria-Piacenza S.p.A.		P	0.06373	0.06539	0.07517	0.12425	0.15040	1.50
		M	0.07649	0.07848	0.09022	0.14907	0.18049	1.50
Escota			1.10000	2.40000	3.30000	3.30000	3.30000	0.00
Società Autostrade Valdostane S.p.A.		M	0.16469	0.16889	0.21951	0.35464	0.41379	1.50
Autostrada dei Fiori S.p.A.		M	0.09785	0.11539	0.18059	0.24082	0.28094	1.50
A.T.I.V.A. S.p.A.		P	0.06103	0.06257	0.08134	0.13142	0.15333	1.50
Tangenziale di Napoli S.p.A.		P	0.36979	0.00000	0.00000	0.00000	0.00000	1.50
Autostrada Torino-Savona S.p.A.		M	0.06359	0.06522	0.08478	0.13693	0.15981	1.50
Società Italiana per il Traforo Autostradale del Frejus S.p.A.	quota di Bruere 417	M	0.10130	0.12002	0.00000	0.00000	0.00000	1.50
	Avigliana 191	M	0.10675	0.12648	0.19823	0.26372	0.30769	1.50
	Salbertrand 192	M	0.10474	0.12408	0.19449	0.25875	0.30189	1.50
Società Autostrada Tirrenica S.p.A.		M	0.10724	0.10999	0.14299	0.23099	0.26948	1.50
Raccordo Autostradale Valle d' Aosta S.p.A.		M	0.13794	0.18477	0.24021	0.38804	0.45271	1.50
Consorzio per le Autostrade Siciliane	Messina-Catania	P	0.02578	0.03039	0.04757	0.06343	0.07400	0.00
	Messina-Catania	M	0.03808	0.04492	0.07031	0.09374	0.10937	0.00
	Messina-Palermo	M	0.04122	0.04229	0.04863	0.08034	0.09725	0.00
Vi.Abilita S.p.A.			0.05165	0.10329	0.15494	0.20658	0.25823	0.00
Autostrada Asti-Cuneo S.p.A.		M	0.09694	0.12222	0.19130	0.25505	0.29760	0.00
Concessioni Autostradali Venete S.p.A.	Passante A4	P	0.09435	0.09670	0.11795	0.18768	0.22489	1.50
	A57 Venezia Padova	M	0.04433	0.04544	0.05227	0.08637	0.10456	1.50
	Tangenziale Ovest Mestre (sist. aperto)		0.04598	0.04718	0.05425	0.08960	0.10846	1.50
ANAS TG Brescia Sud		P	0.07000	0.07985	0.09185	0.15176	0.18365	0.00

For year 2015, the MIT awarded to almost all the concessionaires of motorways in Italy, including the Issuer, a tariff increase of 1.5%.

As described in further details under “— Regulatory”, tariffs are updated every year for historical inflation and capex. Furthermore, the regulatory plan containing the economic-financial plan is updated at the end of each regulatory period to ensure, through a new calculation of the “X” factor in the tariff formula, the economic and financial equilibrium of the Concession Agreement in order to ensure financial sustainability. The aim is to sustain a fair return on invested capital, which is set to be equal to the WACC (as defined in “Risks Relating to the Business of the Issuer—The Update to the Regulatory Plan may not be approved or the economic conditions of the Regulatory Plan might not be confirmed”).

During the last decade, the total increase in tariffs was approximately 35% (as set forth in the table below), being completely inelastic compared to traffic (traffic volumes have remained virtually static over the last 10 years). More specifically, tolls rose at a very low rate until 2009 (<2%), before increasing sharply between 2010-2012 (6%-7% *per annum*), driven by the K (Capex) component of the tariff. Over the last two years, the rate of increase has gradually fallen (+4.4% in 2013, +1.44% in 2014).

Company	Year	P/M	Types/ Class of vehicles: Light (A), Heavy (B - 3 - 4 - 5) €/km				
			A	B	3	4	5
Issuer	2014	P	0.04704	0.04822	0.05545	0.09163	0.11091
Issuer	2005	P	0.03494	0.03581	0.04119	0.06806	0.08238

Expenses

Maintenance

Maintenance activities are focused on maintaining adequate levels of safety and the proper functioning of the motorways, road surfaces, bridges, tunnels, viaducts and drainage systems while complying with current and expected environmental laws.

Maintenance activities are presently performed partly by companies of A4 Group, within the limit set by Legislative Decree No. 163/2006 (40% of the aggregate value of the works), while the remaining portion is contracted to third parties, which comply with the legal requirements for the performance of the works, on a public auction basis.

For the years ended 31 December 2013 and 31 December 2014, the amount of the maintenance costs was Euro 35.7m and Euro 42.8m respectively.

In order to improve customer safety and to avoid aquaplaning and stagnation of lying water, cleaning and draining of canals and water pipes is carried out periodically, especially during spring and autumn.

The fencing is checked regularly and any damage is repaired at once.

During the spring-autumn period, verges and banks are mown and tree maintenance is taken care of. As with the periodical clearing of the lay-bys and emergency lanes, these jobs also include the collection of litter and waste.

Winter operations are carried out from 1 November to 31 March of each year.

Preventative anti-ice measures are carried out whenever the weather conditions or the forecasts require them. These preventative measures are normally carried out during the evening when there is less traffic.

In snowy conditions the Issuer is able to provide a fleet of gritting machines and snow clearing machines to clear the carriageway promptly. Each gritting machine is assigned a stretch of about 30km.

Motorway capital expenditure

The Issuer's capital expenditure primarily relates to its motorway activities, specifically costs for the construction of Sections B and C but also upgrading of the existing portions of the Motorway Assets.

Over the last ten years (2005-2014), the Issuer has managed investments and maintenance works for a total of €1,972 million of which €1,139 million only relate to the construction of Sections B and C. The remaining portion refers to upgrading of the existing portion of the Motorway Assets (including, *inter alia*, toll booths, ring roads and noise protection barriers).

Employees

The table below sets forth the Issuer's average number of employees divided by employment category.

	2013	2014
- Managers	5	5
- Junior Managers	28	26
- White collars	463	459
- Blue collars.....	97	97
Total	593	587
-With opened ended contracts	593	587
-With fixed-term contracts.....	0	0

Seasonal peaks are linked to tourism flows which affects specific sections of the motorways managed by the Issuer. The long-term experience of the Issuer allows it to plan and manage efficiently with the existing work force (thus without need of seasonal hiring) the seasonal peaks without negative effects on motorway users.

Approximately 73% of the Issuer's employees are members of a trade union. Management believes that industrial relations within the Group have been characterised by a willingness to collaborate and to avoid conflicts, and strikes in recent years have been rare. The Issuer is subject to an industry-wide collective bargaining agreement covering motorway concessionaires which has been in effect since 1962. The principal terms of the collective bargaining agreement are typically renegotiated every four years for the regulatory part and every two years for the economic part, and the current agreement was signed on 1 August 2013 and will expire on 31 December 2015.

For the years ended 31 December 2013 and 31 December 2014 the total amount of the employment costs was Euro 46.5m and Euro 47.4m, respectively.

Insurance

The Issuer maintains only one insurance policy regarding "Pollution Liability", while other insurance policies as protection against certain risks associated with the activities of all the A4 Group companies are held at

group level by A4 Holding and include “Third Party Liability” and “All risks; sensitive infrastructure; artistic heritage”.

The Issuer’s policies, however, do not cover industrial action, and the Issuer 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 Issuer carries only limited risk and business interruption insurance to cover damages or operating losses resulting from terrorist acts.

All construction companies hired by the Issuer to carry out construction works on the Motorway Assets or part thereof 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 specific project.

Properties

Most of the real property occupied by the Issuer in connection with its activities will revert to the New Concessionaire (see: “*Risks Relating to the Business of the Issuer—The Issuer is dependent on the Concession Agreement, which accounts for substantially all of the Issuer’s revenues and is due to expire on 31 December 2026 unless terminated early*”) or the Grantor at the expiry of the Concession Agreement.

Legal Proceedings

As part of the ordinary course of its business, the Issuer is subject to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Motorway Assets. The Issuer’s management believes that these proceedings, individually or in the aggregate, even if determined against the Issuer, are not reasonably likely to have a material adverse effect on its business, financial condition or prospects. As at 31 December 2014, the Issuer had accrued a €2.2 million provision in its financial statements for litigation. There are currently ten civil proceedings involving the Issuer for an overall value of around €25,679,472.49. A summary of the most significant civil and administrative proceedings involving the Issuer is set out below.

Civil and Administrative proceedings relating to A31 Valdastico Nord Project

1. *Profacta S.p.A. vs Autostrada Brescia Padova*

Profacta S.p.A. made a claim against the Issuer of €2,352,536 and the proceeding started in 2014, with the first hearing held on 1 July 2014. The subject matter of the proceeding is the construction of anti-noise barriers on the A31 Valdastico motorway, close to the Torri di Quartesolo viaduct in Vicenza.

2. *Costruzioni Sacramati S.p.A. vs Autostrada Brescia Padova*

Costruzioni Sacramati S.p.A. made a claim against the Issuer of €9,231,117.91 in 2014, with the first hearing held on 13 May 2014. The subject matter of the proceedings is contract No. 2002-OR000103 dated 9 April 2002 relating to the construction of the new toll booth at Soave, in the Province of Verona.

3. *Alissa Costruzioni S.p.A. vs Autostrada Brescia Padova*

Alissa Costruzioni S.p.A. made a claim of €2,054,328.22 in 2013. The subject matter of the proceeding is the contract No. 2006-OR-99 relating to the construction of the ninth stretch for the completion of the A31 Valdastico motorway.

4. *Comune di Besenello vs Autostrada Brescia Padova (administrative proceeding)*

The proceedings started in 2013. The subject matter of the dispute is the request of annulment of CIPE resolution No. 21 of 19 March 2013 relating to the approval of the preliminary project for the north A31 motorway, first functional stretch Piovone Rocchette Valle dell’Astico. The value of the proceedings is not determined.

Administrative proceedings between the Issuer and the Grantor

1. ***Ministry of Infrastructure and Transport; Ministry of the Economy and Finance; Supervisory Body of Motorways Operators (Struttura Vigilanza Concessionarie Autostradali) vs Autostrada Brescia Padova***

The proceedings started in 2014. The subject matter of the proceedings is the annulment of decree No. 479 of 31 December 2013, by which the tariff update for the year 2014 was implemented. The value of the proceeding is not determined but it increases progressively from day to day in connection with the volume of users, with respect to the denied tariff increase. Autostrada Brescia Padova was entitled, starting from 1 January 2014, to a tariff increase of 9.92% on the basis of the updated plan or 4.12% on the basis of the expired plan.

2. ***Autostrada Brescia Padova vs SVCA-MIT (Supervisory Body of Motorways Operators – Ministry of Infrastructure and Transport)***

The proceeding was started in 2013. Autostrada Brescia Padova is claiming against the decision which approved the expert report No. 2 on the works for the realization of the second stretch of the A31 motorway. The value of the proceeding is not determined.

3. ***No. 5 proceedings of Autostrada Brescia Padova vs SVCA-MIT (Supervisory Body of Motorways Operators – Ministry of Infrastructure and Transport)***

The proceedings were started in 2012. Autostrada Brescia Padova is claiming against a decision taken in respect of a group company in respect of certain contracts relating to the remake of the paving of the first and second stretch of the A31 motorway. The value of the proceedings is not determined.

4. ***Autostrada Brescia Padova vs SVCA-MIT (Supervisory Body of Motorways Operators – Ministry of Infrastructure and Transport)***

The proceeding was started in 2013. Autostrada Brescia Padova is claiming against a decision taken in respect of a group company in respect of certain contracts relating to the remake of the paving of the first and second stretch of the A31 motorway. The value of the proceeding is not determined.

The draft additional deed to the Concession Agreement submitted by the Grantor to the Issuer and to be entered into after the approval of the Update of the Regulatory Plan provides for a final reciprocal settlement of the legal proceedings between the Issuer and the Grantor existing as at the date of submission of the Update of the Regulatory Plan, including those described above.

Thereafter, on 17 February 2015 the Issuer received from the Grantor notice no. 0001088-06/02/15 (the “**Notice**”) relating to an alleged breach of Article 253, paragraph 25, of the Code of Public Contracts in the period from 2009-2013 (See “*Description of the Issuer—Regulatory*”) for having contracted in that period more than 60% of the value of the works to affiliate companies. The purpose of the Notice is to inform the Issuer that the administrative procedure for the assessment of the alleged breach has commenced, and invite the Issuer to lodge its defence by not later than 30 days from the date of the Notice. The Issuer lodged its preliminary defence on 27 February 2015 whereby the Issuer objects to the interpretation given by the Grantor to the relevant provision of the Code of Public Contracts and the relevant implementing regulation issued by the Supervisory Unit (as defined in “*Description of the Issuer—Regulatory—Supervisory Unit of the MIT*”).

Environment related proceedings

In the course of works related to the restructuring of the Montecchio Maggiore toll booth, an unauthorised waste depot constructed by unknown persons was detected. The Issuer started the relevant reclamation procedure.

Material Contracts

The Concession Agreement

The Concession Agreement was executed by the Issuer and ANAS (in its capacity as grantor at that time) on 9 July 2007, replacing a series of earlier agreements and implementing the regulatory provisions set out in

Law Decree No. 262/2006, converted into law by Law No. 286/2006. In particular, the Concession Agreement was approved by Law Decree No. 59/2008, converted into law by Law No. 101/2008. The Concession Agreement became effective on 4 November 2009, when ANAS notified the Issuer that (on 8 October 2009) the European Commission had dismissed the infraction procedure No. 20006/4419 related to the Concession Agreement.

Scope of the Concession Agreement

The scope of the Concession Agreement includes the construction and operation, the ordinary and extraordinary maintenance of the Motorway Assets. All the Motorway Assets are qualified as projects of public utility/interest. As previously noted, the Valdastico Nord is the most important project still to be carried out under the Concession Agreement.

Duration of the Concession Agreement

The concession granted pursuant to the Concession Agreement is determined for the construction of Valdastico Nord motorway and is in force up to 31 December 2026.

However, given the strategic importance of the infrastructure, it is reasonable to expect that, in the absence of final approval by 30 June 2015 of the Valdastico Nord project, the Italian Authorities and the European Commission will grant the Issuer a further extension of the term to allow the authorisation procedure to be finalised. Indeed, the MIT in response to certain written questions raised by some members of the Italian parliament (no.4-00615) has recently confirmed that (i) the Valdastico Nord is a strategic project at European level, also included in the list of projects defined as “strategic infrastructure projects” under Law No. 443 of 21 December 2001 (the so called “*Legge Obiettivo*”) (see “*Description of the Issuer—Business and Operations of the Issuer—The Motorway Assets: Sections B/C/D*”) and (ii) no early expiry of the Concession Agreement is scheduled in 2015 under the terms of the Concession Agreement.

Autostrada Brescia Padova’s Obligations

The Issuer undertakes to provide for, at its own expense, the operation and ordinary and extraordinary maintenance of the Motorway Assets on a financially viable basis, until the scheduled expiry of the Concession Agreement and in compliance with the provisions of the Regulatory Plan scheduled to the Concession Agreement, as updated from time to time in accordance with the Concession Agreement (see below).

Article 3 of the Concession Agreement provides a list of activities and undertakings that are the exclusive responsibility of the Issuer, including:

- (i) to provide for the final and executive planning, construction, management and maintenance of the Motorway (as defined therein);
- (ii) to have its balance sheet certified by an auditing company;
- (iii) to maintain sufficient standards of financial solidity;
- (iv) to provide in its by-laws for the presence of a representative of the Ministry of the Economy and Finance (“**MEF**”) as the chairman, and of a representative of MIT as a member, in the board of statutory auditors (controlling body);
- (v) to provide in its by-laws measures preventing conflicts of interest of the members of the board of directors and to guarantee that some of them satisfy certain independence requirements under Italian Civil Code;
- (vi) to obtain the consent of MIT in the event that extraordinary transactions (such as mergers, demergers, sale or purchase of ongoing concerns) as well as the transfer of qualified stakes of the capital of the companies should be entered into.

Pursuant to the Concession Agreement: (i) the administrative pecuniary sanctions are capped on an annual basis up to 10% of the annual turnover of the Issuer; and (ii) penalty in case of non-completion or inadequate completion of the works (for each of the projects provided by the Concession Agreement) for Issuer’s cause or

fault shall be equal to 25% of the value of the works as ascertained at the moment of the violation of the Concession Agreement. To date, the Issuer has not been given any material penalty from the Grantor.

Rights of the Issuer

The Issuer has the following rights under the Concession Agreement:

- to collect toll payments;
- to assign the concession for occupation and use of the Motorway Assets and its appurtenances, subject to payment to the Grantor of the sub-concession fee. Any such sub-concession agreements shall be disclosed to the Grantor and cannot be of a duration longer than the remaining concession period; and
- to carry out advertising activities in compliance with legal regulations and collect the relevant fees.

Advertising contracts cannot be awarded for a duration longer than the remaining Concession period.

Expiry or early termination of Concession

Upon the expiry of the concession, the Issuer shall transfer to the grantor the Motorway Assets and related infrastructure in an excellent condition. As of the date hereof, no issue arose from the periodical surveys of the personnel in charge.

Expiry of Concession Agreement

The Concession Agreement is set to expire on 31 December 2026.

Upon the expiry of the concession, the Issuer shall transfer to the Grantor the Motorway Assets and related infrastructure in an excellent condition (“*ottimo stato di conservazione*”).

Early termination of the Concession Agreement due to Issuer’s default (forfeiture)

Forfeiture of the Concession Agreement may occur following failure by the Issuer to remedy any breach within specific remedy periods and processes established therein, as a consequence of the Issuer’s failure to perform certain obligations provided in the Concession Agreement.

Following the date on which forfeiture of the Concession Agreement has been notified to the Issuer by the Grantor, the Issuer must continue the ordinary management of the Motorway Assets until those assets are transferred to a New Concessionaire or handed back to the Grantor. From the date of the communication of said forfeiture, all revenues from the operation of the Motorway Assets shall inure to the benefit of the Grantor, whereas the Issuer will be reimbursed solely for the ordinary operating costs that the Grantor has authorised in advance.

The Issuer shall be entitled to receive a Termination Value consisting of a sum equal to the carrying amount, net of accumulated amortisation/depreciation and write-downs, as certified by the audit company selected jointly by both parties or, if they cannot agree, by the Grantor, net of penalties and sanctions incurred by the Issuer and not yet paid.

The Termination Value, as described above, shall be paid by the New Concessionaire upon the handover of the Motorway Asset or by the Grantor upon the hand back to the Grantor, in each case in several instalments until the end of the residual duration of the Concession Agreement and remunerated by the legal interest rate.

The Grantor has recourse on the amounts due from the new concessionaire to the Issuer for the compensation of damages and unpaid sanctions, if any.

See “*Risks Relating to the Business of the Issuer—The Concession Agreement may be terminated early due to forfeiture (decadenza) of the Concession Agreement as a consequence of the Issuer’s failure to perform its obligations thereunder*”.

Early termination of the Concession Agreement due to Grantor's default and revocation for reasons of public interest

In case of early termination due to a Grantor's breach of its obligations under the Concession Agreement, or in case of revocation of the concession for reasons of public interest, the Grantor should pay the Issuer (or reimburse the Issuer in respect of):

- the value of the works performed, net of amortisation/depreciation, or if the works have not yet passed inspection, the costs actually incurred by the Issuer;
- the penalties and other costs incurred or to be incurred as a result of the termination;
- an indemnity for lost profit, equal to 10% of the works yet to be performed or the portion of the service yet to be provided, based on the then-applicable Regulatory Plan.

The above amounts will be applied in priority to repay any financial indebtedness incurred by the Issuer in connection with the Concession Agreement and cannot be used by the Issuer for any other purpose until such financial indebtedness to its lender(s) has been repaid in full.

The effectiveness of the revocation of the concession for reasons of public interests is also subject to the payment of the above amounts to the Issuer.

It must be noted that according to Article 158 of the Code of Public Contracts (as such article has been recently amended by Law Decree No. 133/2014 converted into law by Law No. 164/2014), in the event of early termination of the concession due to the Grantor's breach of its obligations under the Concession Agreement or in the event that the concession is revoked for reasons of public interest, the debt owned by the Issuer to bondholders in connection with the Concession Agreement will rank *pari passu* with and benefit from the same protections granted to financial indebtedness granted to the Issuer by lenders for the same.

Rebalancing of the Concession Agreement

In accordance with Article 143, paragraph 8 of the Code of Public Contracts, a concession agreement must be reviewed in the event that the assumptions or the conditions for the economic and financial balance of the concession are varied, or in case of a change in law setting out new tariff mechanisms or in any way affecting the balance of the Regulatory Plan. The CIPE shall verify the conditions for the review, following the opinion of NARS (*Nucleo di consulenza per l'Attuazione e Regolazione dei servizi di pubblica utilità*). The rebalance can either consist of the determination of new balance conditions, or in an extension of the duration of the concession. If the Grantor and the concessionaire cannot find an agreement on the rebalance, the concessionaire may withdraw from the Concession Agreement.

Calculation and annual adjustment of the tariffs

The calculation of the tariffs chargeable by the Issuer to the end-users is made as set out in the relevant applicable laws and regulations (see "*Description of the Issuer—Calculation of motorway toll tariffs*"). In respect of such tariff calculation, it should be noted that the Concession Agreement provides that the tariff, calculated as described in "*Description of the Issuer—Calculation of motorway toll tariffs*", is increased/reduced in relation to the quality factor "Q" related to the conditions of the paving and to the average occurrence of accidents.

As far as the process on annual adjustment of tariffs is concerned, it will be carried out according to a procedure which is described in "*Description of the Issuer—Annual tariff adjustments*".

Five-year update to the financial plan

On 22 December 2014 the Issuer submitted to the MIT the Update of the Regulatory Plan. The approval of such Update of the Regulatory Plan is expected within the next few months.

The Update to the Regulatory Plan (as any further update of the Regulatory Plan) will be approved by the procedure set out by Article 43 of Law Decree No. 201/2011, converted into law by Law No. 241/2011. Pursuant to such laws, approval of the Update of the Regulatory Plan is subject to a favourable opinion of the CIPE, on the basis of the advice of NARS. Once the CIPE favourable opinion is obtained, the Update to the

Regulatory Plan will be finally approved by a decree of the MIT, passed jointly with the MEF, to be adopted not later than 30 days from the date of delivery of the relevant additional deed to the Concession Agreement by the Grantor.

The Update of the Regulatory Plan submitted to the MIT provides investments for a total amount of Euro 2,049,938,000, mostly allocated on the construction of the Valdastico Nord motorway.

Together with the Update of the Regulatory Plan, an additional deed to the Concession Agreement reflecting the relevant provisions will be approved. Such additional deed will provide for, among other things: (i) a new tariff increase plan taking into account traffic projections, capital expenditure and operative costs; (ii) the commitment of the Issuer to assign 100% of the construction works related to the Valdastico Nord project through public tenders, in compliance with applicable EU legislation and (iii) a waiver of all disputes currently pending between the Issuer and the MIT as set out under “*Description of the Issuer—Legal Proceedings*”.

Distributions to the Shareholder

With respect to distributions payable by the Issuer to A4 Holding, Article 10.7 of the Concession Agreement provides that the amounts to be distributed cannot exceed in any given year the value indicated in the Regulatory Plan from time to time applicable to the relevant year and that dividends distribution is capped during the period 2014-2026.

Termination Value. Method of calculation

The Termination Value corresponds substantially to the figures indicated in the Issuer’s financial statements under “*immobilizzazioni materiali – (4) altri beni devolvibili*” and as of 31 December 2014 it amounts to Euro 1,011 bln. See “*There may be uncertainty over the amount of the Termination Value due to the Issuer on termination of the Concession Agreement*”.

Major Existing Financing Agreements

The Issuer has outstanding €465 million of existing third party loans granted by Unicredit S.p.A. (“**UCI**”), Intesa Sanpaolo S.p.A (“**ISP**”), Unione di Banche Italiane S.c.p.A (“**UBI**”) and Friuladria S.p.A., (“**Friuladria**” and, Friuladria together with UBI, UCI and ISP, the “**Current Lenders**”), which loans are due to mature in June 2015 and secured by a pledge granted in 2010 by A4 Holding and Serenissima Partecipazioni S.p.A. (as pledgors) over the following shares in companies which are outside the perimeter of the Issuer and its subsidiaries:

- shares owned by Serenissima Partecipazioni S.p.A. (an A4 Group company) in the following companies: (i) Autostrada del Brennero S.p.A., No. 64,951 shares of nominal value equal to Euro 36.15 each; (ii) Autostrade Centro Padane S.p.A., No. 204,084 shares of nominal value equal to Euro 10.00 each; (iii) Autocamionale della Cisa S.p.A., No. 2,182,217 shares of nominal value equal to Euro 0.5 each; (iv) Autostrade Venezia Padova S.p.A. (now, Autostrade Serenissima S.p.A.), No. 428,614 shares of nominal value equal to Euro 9.30 each;
- shares owned by A4 Holding in the following companies: Autovie Venete S.p.A., No. 2,549,774 shares of nominal value equal to Euro 0.26 each.

The Issuer intends to use the proceeds of the issue of the Notes primarily to refinance in full the outstanding loans as better detailed under section “*Use of proceeds*” of this Prospectus.

Financial Guarantees issued by the Issuer

On 27 January 2012 the Issuer has granted, with no objections from the Grantor, a guarantee (expiry date 31 December 2020) for an original aggregate maximum amount of Euro 50 million (as of 31 December 2014 the current aggregate maximum amount is Euro 35,080,039) to secure the indebtedness assumed by Serenissima Mobilità S.r.l. (an A4 Group company) towards some banks. Nonetheless, in compliance with the group reorganisation occurred in 2011 to insulate the Issuer from unregulated activities, A4 Holding has counter-guaranteed the Issuer for the same amount.

The Issuer has not assumed any obligation towards other companies of A4 Group or third parties and does not intend to issue further financial guarantees.

Third Parties Guarantees issued in the interest of the Issuer

In accordance with Article 6.2 of the Concession Agreement, the Issuer delivered to the Grantor the guarantee for the good performance of the management of the concession, issued by the insurance company Società Reale Mutua di Assicurazioni (ref. No. 2012/50/2240781), valid from 19 December 2012 until 19 December 2017, subsequently amended by Appendix 1, dated 22 May 2013, for a total amount of Euro 28,451,470 (equal to 3% of the operational costs provided for by the Regulatory Plan). In compliance with Article 113 of the Code of Public Contracts, the amount of such guarantee automatically decreases each year, starting from 2013, by an amount equal to: (a) Euro 5,301,840 in 2013; (b) Euro 5,393,040 in 2014; (c) Euro 5,598,450 in 2015 and (d) Euro 6,236,010 in 2016, each amount corresponding to the yearly quota of the operational costs covered by the guarantee. In accordance with Article 6.1 of the Concession Agreement, the Issuer also delivered to the Grantor a first demand guarantee for the good execution of the definitive design of the stretch Trento-Valdastico-Piovene-Rocchette, issued by SACE BT S.p.A. (ref. No. 1681.00.27.2799597562), dated 13 February 2012, valid from 8 February 2012, for an amount of Euro 2,500,000. The guarantee was amended by an explanatory appendix dated 13 February 2012.

The Issuer delivered to other entities (most of which are public) other guarantees (issued by banks or insurance companies) related to its core business for a total aggregate amount of Euro 2,194,261.

Construction contracts

The existing construction contracts entered into by the Issuer for the construction of Section B and Section C provides for adequate performance bonds in favour of the Issuer and for adequate insurance policies provided by the contractors in compliance with applicable law provisions (including the 10-year compensation insurance (*Polizza Decennale Postuma*)).

As far as Section D is concerned, the Issuer will grant to third parties 100% of the construction works for Valdastico Nord by issuing public tender procedures in compliance with domestic and European laws and regulations. Within the context of the tender procedure, the Grantor will approve all tender acts and appoint the members of the tender commission. The Issuer together with the Grantor will request the participants to the tender to attach to their offer the evidence of (i) their availability to issue all the requested guarantees as set forth by the Code of Public Works for the performance of the works (including, *inter alia*, issuance of a performance bond of 10% of the contract value as well as adequate insurance policies) and (ii) the specific prerequisites to be met by each contractor (such as certifications ascertaining, *inter alia*, the economic soundness and the technical capability of the company for performing public works).

Regulatory

The Issuer operates under a motorway concession granted by ANAS and, subsequently, transferred to the MIT. As result of the enactment of Law Decree No. 98 of 6 July 2011, converted into law by Law No. 111/2014 with amendments, certain policymaking, supervision and oversight functions previously exercised by ANAS, a joint-stock company owned by the Italian Ministry of Economics and Finance, which acted as concession grantor for the Issuer until the date of entry into force of Law Decree No. 98/2011, were supposed to be transferred to a newly established Roads and Highways Agency within the Ministry of Infrastructure and Transport, which should have assumed certain functions previously exercised by ANAS, as well as the role of grantor for existing motorway concessions, and administrator and grantor for any subsequent concessions awarded under public tenders. However, since the required corporate documents were not approved by 30 September 2012, the Roads and Highways Agency was abolished and the responsibilities previously allocated to it were transferred to the MIT as of 1 October 2012.

ANAS continues to: (i) build and operate toll public roads and motorways, including those reverted to State control as result of the expiry or revocation of the relevant concession; (ii) perform upgrades and improvements of public roads and motorways and the road signal system; (iii) acquire, maintain and improve the tangible and intangible assets of the road and motorway network; (iv) provide traffic police services along the motorway network; and (v) approve projects relating to works on the non-toll road and motorway network which are of public interest.

Law Decree No. 201/2011 (the so-called *Salva-Italia* legislation), converted, with amendments, into law by Law No. 214/2011, has set up a new regulatory authority named Office of Transport Regulation to oversee conditions of access and prices for rail, airport and port infrastructure and the related urban transport links to stations, airports and ports. This legislation was subsequently amended by article 36 of Law Decree No. 1/2012 (the so-called *Liberalizzazioni* legislation), extending the scope of the responsibilities of the newly established regulator to include the motorway sector. The new authority is, among other things, responsible for (i) determining tariff mechanisms based on the “price cap” mechanism for new concessions; (ii) determining the criteria based on which the MIT will propose tariff adjustments to be approved by such authority; (iii) deciding the concession schemes to be included in tenders for management and construction; (iv) defining the arrangements of tenders intended for motorway companies for new concessions; and (v) determining the ideal management areas of motorway sections in order to promote a plural management of the sections and to enhance competition.

Law Decree No. 1/2012, converted into law by Law No. 27/2012 (as subsequently amended by Law Decree No. 83/2012 converted into law, with amendments, by Law No. 134/2012), contains a range of provisions impacting, among other things, on motorway concessions, including (i) article 51, which, from 1 January 2014, has raised the minimum percentage of works to be contracted out to third-party contractors by the providers of construction services under concession from 40% to 60% of the total value of the relevant works; and (ii) article 17, which has introduced a new regime for the holders of fuel service licences, who may now offer other goods and services for sale at their service stations. With regard to motorway service areas, the terms and conditions of sub-concession arrangements in force as at 31 January 2012 are unaffected, as are the restrictions linked to competitive tenders for motorway areas under concession, conducted in accordance with the format required by the Office of Transport Regulation.

Subsequently, Article 5 of Law Decree No. 133/2014, converted into law by Law No. 164/2014 (the so-called *Sblocca Italia* legislation), set out that motorway concessionaires, in compliance with the principles of the European Union and in order to ensure the necessary investments for the improvement of the national motorway system, may submit, not later than 31 December 2014, variations of the concessions also consisting of the unification of connected or bordering stretches for the purpose of their unitary operation, together with a new financial economic plan, in order to enter into an additional deed or into a new concession agreement not later than 31 August 2015. The draft of the additional deed or of the new concession agreement, following the favourable opinion of CIPE, must be submitted (together with the new financial plan) to the competent parliamentary commissions, which must render their opinion in a 30-day term from the date of receipt of the draft additional deed or of the new agreement. If such 30-day term elapses, the procedure can be notwithstanding continued.

The economic and financial plan must ensure the financial balance without any further or new costs to be borne by the State, and the availability of the financial resources required for, among other things, the completion of the infrastructures provided by the original concessions. Paragraph 4-*bis* of Article 5 of Law Decree No. 133/2014 sets out that the application of Article 5 itself is subject to the consent of the European Union.

Finally, on 31 December 2014, Italian Government passed Law Decree No. 192/2014, pursuant to which the term to submit the variations to concessions under Article 5 of Law Decree No. 133/2014 is extended to 30 June 2015, and the relevant additional deeds can be signed not later than 31 December 2015.

Important Developments in the Regulatory History of motorway concessions

Motorway concessions were historically granted by the State. In 1992, Law No. 498/92 granted the CIPE authority to issue directives in relation to the revision of existing motorway concessions and toll rates.

The CIPE, by a resolution dated 21 September 1993, established the criteria for the review and renewal of motorway concessions. Pursuant to such criteria, any bid must:

- (i) contain an investment plan (which provides for estimates of the economic and financial performance of the concessionaire and includes the expected works to be performed by the concessionaire during the concession period, the estimated cost of such works and expected public grants from the State, if any) which complies with a standard model approved by the MIT and the MEF;

- (ii) set out rules for the allocation of works according to applicable law in force, including EU environmental legislation;
- (iii) broaden the concessionaire's scope of activity, with the aim of improving its management and diversifying services offered to customers; and
- (iv) eliminate restrictions on the concessionaires' shareholders.

Since 1993, CIPE has issued several directives regarding the relationship between ANAS and the individual concessionaires, which until 2006 formed the basis for the standard concession agreement prepared by the MIT.

Regulatory changes were also introduced in the legal framework governing motorway concessions to delineate the roles of the State vis-à-vis the Italian regions. Italy's regions have administrative, legislative and executive powers at the local level, and can act in matters specifically under their domain or in areas which are not specifically reserved for the State. Regions are responsible for managing the network of roads and motorways which do not have a national interest and may grant concessions for the construction and management of regional toll motorways.

Law Decree 262 of 3 October 2006, which was converted into law by Law No. 286/2006 and subsequently amended by Law No. 296/2006 and by Law No. 101/2008, established a new regime for motorway concessions primarily through the requirement that concessionaires enter into a comprehensive new concession agreement following specific binding guidelines. All concessionaires are required to enter into such new concession agreement upon the earlier to occur of an update to the relevant concession's financial plan or revision of the relevant concession agreement following the effectiveness of the new legislation. New concession agreements are subject to the technical review by the Consulting Unit for the implementation and regulation of public utility services (*Nucleo di consulenza per l'attuazione delle linee guida sulla regolazione dei servizi di pubblica utilità* or "NARS") as well as the CIPE, followed by a review by the relevant Parliamentary Commissions. New concession agreements are approved by interministerial decree from the MIT and the MEF, subject to a preliminary review by the *Corte dei Conti*, the independent institute responsible for supervising public finances.

Law No. 286/06 and Law Decree No. 69/13, converted into law by Law No. 98/2013, made substantive changes to the tariff adjustment procedure. In particular, Law No. 98/13, amending Law No. 286/06, provides that the concessionaire notifies the grantor, within 15 October of each year, a proposal containing the variations to the tariffs that it intends to apply, taking into consideration the investment item of parameters X and K regarding new additional works. By 15 December of each year, the Ministry of Infrastructure and Transport, in agreement with the Ministry of Economy and Finance, should enact a decree, approving or rejecting the proposed variations. The decree may concern exclusively the verifications regarding the accuracy of the values inserted in the revising formula and related calculations or the occurrence of severe violations of the provisions set forth in the concession.

In accordance with Law No. 286/06, the CIPE issued a new directive in June 2007 (Directive 39/07) that introduced criteria and parameters for determining motorway tariffs. Directive 39/07 is applicable to all new concessions and existing concessions where the concessionaire requests a realignment of the concession's financial and regulatory plan, as well as to new investments under existing concessions which were not yet approved at 3 October 2006, or which were approved but not included in the investment plan at such date. Directive 39/07 introduced a new tariff formula which provides for a realignment of tariffs every five years to reflect traffic and cost trends and investment costs in an effort to provide the concessionaire with an agreed rate of return.

Implementing Directive 39/07, the CIPE Directive 27/2013 established criteria and methods for the update of economic and financial plans at the expiry of the regulatory period.

Law Decree No. 59/2008, converted into law by Law No. 101/2008 approved all concessions entered into with ANAS as of 31 July 2010 and enabled motorway concessionaires to agree to a simplified formula for the annual tariff rate adjustment calculation to be based, for the entire term of the concession, on a fixed percentage of real inflation, as well as terms for the return of invested capital.

Law Decree No. 201/2011 (the so-called *Salva-Italia* legislation) also introduced a simplified approval procedure for amendments to existing concessions, which shall be approved by decree by the Ministry of Infrastructure and Transport, together with the Ministry of Economy and Finance. Updates or amendments to existing concessions which result in amendments to the investment plans or regulatory aspects relating to public finance, shall be reviewed by CIPE, following consultation with NARS which shall provide any comments within 30 days.

Supervisory Unit of the MIT

Following the replacement of ANAS by the MIT as grantor of motorway concessions on 1 October 2012, the MIT set up the Supervisory Unit for Motorway Concession Holders (*Struttura di Vigilanza sulle Concessionarie Autostradali*) (the “**Supervisory Unit**”). This is a branch of the Department of Infrastructure of the MIT and has been assigned many of the tasks formerly performed by ANAS as grantor of motorway concessions.

The Supervisory Unit performs the following functions:

- selection of motorway concession holders and relevant awards;
- supervision and control of motorway concession holders, including supervision of construction works and operation of the motorways;
- approval of projects for works on the motorway network of national interest, equivalent to a declaration of public utility and urgency for the purposes of compulsory purchase for public utility;
- planning proposals for the progressive improvement of the road and motorway network and relevant signaling systems;
- proposals regarding tariff regulation and relevant variations for motorway concessions according to the criteria and procedures established by the relevant regulatory authority (*i.e.* the Transport Authority defined below), which is in charge of their subsequent approval;
- supervision of the implementation of laws and regulations concerning the protection of the roads and motorways, as well as traffic safety and signaling by the concession holders; and
- supervision over the adoption of the provisions deemed necessary for traffic safety on the roads and motorways by the concession holders.

Recent legislation (art. 23 of Law Decree No. 69 of 21 June 2013 (the so called “*Decreto del Fare*”)) specifies that the MIT is considered as having been assigned (i) the debt and credit positions pertaining to grantors under existing motorway concessions; as well as (ii) any litigation related to those positions, provided that such positions arose after 1 October 2012 (*i.e.* from the time the replacement of ANAS by the MIT as grantor became effective).

Transport Authority

The independent Transport Regulation Authority (*Autorità di Regolazione dei Trasporti*) (the “**Transport Authority**”) was set up by law in 2011. The Transport Authority is responsible for the transport sector and for the access to relevant infrastructure and ancillary services.

The Transport Authority is a collegiate body consisting of a chairman and two members who are appointed by the Italian Government, with prior approval by a majority of two thirds of the members of the competent committees of the Italian Parliament.

With particular reference to the motorway sector, the Transport Authority has the following responsibilities: (i) establishing toll tariff systems based on a price cap method for new concessions, with the calculation of the productivity index X every five years for each concession; (ii) defining the forms of concession to be adopted in tenders for motorway operation or construction; (iii) setting out the forms of tender that motorway concession holders shall comply with in order to award works to third parties for new concessions; (iv) setting out the optimal operation systems of motorway sections in order to promote diversified management over the

different sections and to stimulate competition; and (v) approving proposals formulated by the MIT regarding the regulation and the tariff adjustments for motorway concessions.

More generally, the Transport Authority may, *inter alia*:

- propose the suspension, termination or revocation of concession agreements, public service contracts, programme contracts and any other instrument that can be regarded as equivalent, if legal and regulatory conditions allow so;
- order a party to stop any action that does not comply with regulatory requirements or contractual undertakings which are binding on entities subject to regulation, with the power to take the appropriate measures to enforce such order;
- issue fines of up to 10% of the turnover of the relevant company in the case of (i) non-compliance with criteria for the setting and updating of the tariffs, fees, tolls, rights and prices subject to administrative control; (ii) non-compliance with criteria for accounting separation and disaggregation of costs and revenues related to the activities of public services; (iii) breach of the regulations relating to access to the networks and to infrastructure or conditions imposed by the Authority itself; as well as (iv) non-compliance with orders issued and measures taken.

Although the Transport Authority has been assigned the above mentioned powers and responsibilities, art. 36 of the *Decreto Salva Italia* specifies that the MIT, the MEF and the CIPE keep their regulatory powers on the approval of programme agreements and concession deeds, with particular reference to matters concerning public finance.

Concession Fee and Surcharge

Pursuant to art. 1, paragraph 1020 of Law No. 296/2006, concession holders have to pay to the relevant grantor an annual fee that is fixed at 2.4% of the net proceeds of the tolls.

An additional “*sub-concession fee*” is made payable under the majority of the concession agreements, calculated on the income deriving from the exploitation of service areas and similar areas.

Law No. 102/2009 and art. 15, paragraph 4 of Law Decree No. 78/2010 (converted into law by Law No. 122/2010) provides for the Surcharge which is charged to the motorway concession holder and is recovered from users of the motorway by applying an equivalent increase in the tariffs. The Surcharge, to be paid to ANAS, is calculated on the basis of the distance in kilometres for each vehicle that uses the motorway infrastructure. As such, the Surcharge is a pass-through item.

Calculation of motorway toll tariffs

Motorway toll tariffs are, in essence, regulated by CIPE Resolution No. 39 of 15 June 2007 (“**CIPE Resolution**”) and by CIPE Resolution No. 27 of 21 March 2013 (“**New CIPE Resolution**”).

Even though each concession agreement may adopt slight variations, in general the tariff formula is as follows:

$$\Delta T = \Delta P - X + K$$

where:

- ΔT is the annual percentage of tariff variation;
- ΔP represents the actual inflation rate, as calculated by the consumer price index for the whole Italian territory (“**NIC**” Nazionale Intera Collettività as defined by ISTAT), referring to the period 1 July-30 June prior to the date on which the tariff variation application is filed;
- X is the percentage factor of adjustment of the tariff calculated at the beginning of each 5-year regulatory period. Concession holders like the Issuer set the X factor, in the first year of the new regulatory period, equal to the forecast of the previous regulatory plan containing the economic-financial plan (or zero) and, in the remaining 4 years, to a constant value calculated, so that, in a

scenario of no further investments in that regulatory period, the present value of forecast revenues is equal to the present value of eligible costs, discounting the relevant amounts at the WACC;

- K is the annual variation percentage of the tariff as determined each year so as to allow remuneration of the investments carried out in the year before that for which it applies. The K factor is calculated so that the present value of incremental revenues forecasted until the end of the concession period is equal to the present value of the incremental eligible costs, discounting the relevant amounts at the WACC. For the first year of the new regulatory period concession holders like the Issuer calculate the K factor with a WACC equal to the previous regulatory plan (containing the economic-financial plan) and, in the remaining 4 years, with the WACC calculated for the new regulatory period.

According to the CIPE Resolution, “*eligible costs*” include (in summary, and without limitation):

- operating expenses (such as, materials and goods, services, use of third party assets, employees, variations in stock of materials and goods and other operating charges which are both directly and indirectly ascribable to the motorway operating activities). Such expenses are eligible up to maximum amounts defined on the basis of: (i) cost effectiveness principles, (ii) comparison with comparable players and (iii) traffic volumes;
- reimbursement of the regulatory asset base (*capitale investito regolatorio*) (the “**Regulatory Asset Base**”). This is equal to the relevant depreciation;
- return on net Regulatory Asset Base. This is equal to WACC applied to the Regulatory Asset Base net of cumulated depreciation.

The Regulatory Asset Base includes intangible fixed assets (research, development and advertising costs, patents and intellectual property rights, intangible fixed assets under construction and payment in advance) as well as tangible fixed assets (land and buildings, plants and machinery, production and trade equipment, other tangible assets and tangible under construction and payment in advance) which are both directly and indirectly ascribable to the motorway activities. Such investments are eligible within limits represented by amounts determined in the final design approved by the grantor or (for capex indirectly ascribable to the motorway activities) up to maximum amounts defined on the basis of cost effectiveness principles and of comparison with comparable players. Eligible costs are net of the grants received by the relevant concession holder.

According to the CIPE Resolutions, the regulatory plan (containing the economic-financial plan) may allow the addition or the deduction of notional items (so called “*poste figurative*”) in the calculation of the eligible costs in order to have a gradual annual variation percentage in tariff as much as possible. The credit for “*poste figurative*” also allows, on the occasion of the regulatory plan (containing the economic-financial plan) 5-year update, the X parameter to take into account the need to rebalance for higher or lower operating or investment costs, compared to those forecasted in the regulatory plan (containing the economic-financial plan) at the beginning of the previous regulatory period.

Pursuant to the New CIPE Resolution, the procedure for the calculation of the WACC shall be carried out in accordance with the following table:

WACC Calculation

Return on Equity	Cost of debt
Risk free return	Cost of debt Gross (Kd)
Market Risk Premium	Tax rate (IRES)
Beta levered	
Return on Equity	Net cost of debt
E / (D+E)	D / (D+E)
Impact of ROE on WACC	Impact of cost of debt on WACC
Net WACC	
Average impact of personnel cost on invested capital	
Average tax rate (IRES and IRAP)	
Gross WACC	

Pursuant to the New CIPE Resolution, the following calculation criteria shall be taken into account:

- Rate of return for risk-free assets: this is based on the average return of the ten year Italian benchmark treasury bonds on the 12 months preceding the date of the proposal of the new regulatory plan (containing the economic-financial plan);
- Market risk premium: 4%;
- Beta levered: beta levered is calculated taking into account the average beta of the Italian peer group of motorway concession holders adjusted for the specific financial structure of the individual concession holder (formula detailed in the New CIPE resolution);
- Return on equity (Ke): rate of return on risk-free assets + market premium rate x beta component;
- Cost of debt (Kd): is the concession holder average cost of debt capped at a level equal to the risk-free rate plus 2%;
- Equity ratio: the impact of equity on total sources $[E/(D+E)]$ of the concession holder is derived from the latest approved financial statements;
- Debt ratio: $[D/(D+E)]$ derived from the latest approved financial statements;
- Impact of personnel cost on invested capital derived from the latest approved financial statements; invested capital is the sum of tangible and intangible assets eligible for the regulatory invested capital (pursuant to the CIPE Resolution); and
- Tax rate calculated according to a specific formula on the basis of the IRAP and IRES rates applicable at the time of the update of the regulatory plan containing the economic-financial plan.

The relevant regulation provides that additionally, a component regarding the quality factor (number of incidents, quality of the asphalt), is either subtracted or added to the tariff calculated as above, pursuant to the methodology set forth in CIPE Resolution 319/2006 as amended and art. 21, par. 3 of Law 47/2004.

Update of the regulatory plan (containing the economic-financial plan) at the end of a 5-year regulatory period

According to the CIPE Resolution and the New CIPE Resolution, at the end of each 5-year regulatory period and by 30 June of the first year of the new regulatory period, the concession holder must propose to the MIT the updated regulatory plan containing the economic-financial plan.

The New CIPE Resolution contains new and more precise criteria for the update of the economic and financial plan for motorway concessionaires. The New CIPE Resolution specifies, among other things: (i) the procedure used to calculate the regulatory invested capital at the end of each period; (ii) how to update the gross WACC (weighted average cost of capital) to be applied to the new regulatory period every 5 years, as well as (iii) other rules applicable to cases which have less relevance to the Issuer.

At the end of each regulatory period, the regulatory plan (containing the economic-financial plan) is updated proceeding with the determination of the amount of the net regulatory invested capital and of the balance of the poste figurative resulting at the end of the preceding regulatory period, with the calculation of the eligible costs for the next regulatory period, with the updating of the traffic forecast, with the updating of the WACC and consequently the redetermination of the X factor applying to the next regulatory period. The update of the regulatory plan containing the economic-financial plan aims to rebalance potential reduction in the expected revenues, if any, to maintain the financial and economic equilibrium through the realignment of the tariffs, and so to ensure financial sustainability.

The updated regulatory plan containing the economic-financial plan must take into account also:

- (a) any additional design or construction costs borne during the regulatory period due to force majeure or other reasons not attributable to the concessionaire;

- (b) any amounts of “recovery”, *i.e.* for investments which were not completed or which were delayed during the regulatory period; and
- (c) penalties.

Specific rules are established for concessionaires who seek a general redress of the economic and financial equilibrium of the concession, and for concessionaires who have made investments not originally contemplated in the concession.

To the extent that as result of the regulatory plan containing the economic-financial plan review at the end of a given regulatory period the estimated WACC was deemed to have differed from the actual WACC during such period an adjustment maybe requested by the Grantor in subsequent periods in order to rebalance the concession.

Annual tariff adjustments

During each 5-year regulatory period, the tariff is adjusted annually by applying the formula described under paragraph “*Calculation of motorway toll tariffs*”. In particular, the concession holder shall communicate to the MIT, no later than 15 October of each year, the proposal for tariff variations it intends to apply, based on the annually reviewed ΔP and K variable (with the X variable remaining the same for each five year regulatory period). The proposed adjustments are approved or rejected by a decree of the MIT, to be adopted no later than 15 December. The decree may exclusively relate to the verification of whether or not the values inserted in the review formula and relevant calculations are correct, or may also regard the existence of serious breaches of the provisions of the concession that have been formally reported by the concession holder up to the previous 30 June.

For the calendar year 2015, the Issuer’s tariff in relation to the Motorway Assets was increased by 1.5% by MIT Decree No. 584 dated as of 31 December 2014.

Recent Developments

Investigation of Mr. Giulio Burchi (acting in a private capacity) for an alleged offence under article 346 bis (“Traffico di influenze illecite” or “Using influence in an illegal manner”) of the Italian criminal code

On 16 March 2015, several Italian newspapers reported that Mr. Burchi, a Director of the Issuer, had on the same day been served with a notice of investigation (“*avviso di garanzia*”), together with a search order in respect of his private residence, in relation to activities carried out in a private capacity (and not as Director of the Issuer) and allegedly constituting a crime under article 346 *bis* (“*Traffico di influenze illecite*” or “Using influence in an illegal manner”).

Based on documentation made available by Mr. Burchi on 16 March 2015, it appears that the investigation does not concern the Issuer or the Issuer’s business activities, nor do the activities in question relate to the activity and responsibilities of Mr. Burchi in his capacity as Director of the Issuer, but it exclusively refers to Mr. Burchi in a private capacity. At this early stage of the investigation and based on the information available so far, the Issuer believes that there is no risk that it will be directly involved in the investigation and no change in its current management structure is necessary or desirable.

MANAGEMENT

Board of Directors

The Board of Directors of the Issuer (the “**Board of Directors**”) is composed of nine members, two of which are independent members. The current members of the Board of Directors were elected on 29 April 2013 and will hold office until the shareholders’ meeting called for the approval of the financial statements of the Issuer for the year ending 31 December 2015. The current members of the Board of Directors are as follows:

Name	Position	Principal activities outside the Issuer
Flavio Tosi.....	Chairman of the Board of Directors	A4 Holding S.p.A. – Director Fondazione Arena di Verona – Chairman of Board of Directors Municipality of Verona - Major
Francesco Bettoni	Director	Immobiliare Fiera di Brescia S.p.A. – Managing Director Fondazione Iniziative Zooprofilattiche e Zootecniche di Brescia – Chairman Banco di Brescia S.p.A. – Director Autostrade Lombarde S.p.A. – Director Borsa Merci Telematica Italiana S.c.p.a. – Chairman and Chief Executive Officer Consorzio Camerale Credito e Finanza – Chairman Unioncamere – Vice-Chairman Tangenziali esterne di Milano S.p.A.– Director Autostrade Bergamasche S.p.A.– Director Società di Progetto Brebemi S.p.A. – Chairman
Bartolomeo Bonfigli	Director	Astaldi S.p.A. – Administration Manager Metrogenova Società Consortile a Responsabilità Limitata – Auditor Re. Consult Infrastrutture S.p.A.– Alternate Auditor Pedelombarda Società Consortile Per Azioni – Chairman of Board of Statutory Auditor Mose-Treporti Società Consortile a.r.l. – Auditor
Fabio Buttignon	Director	Banca IMI S.p.A. – Director Re. Consult Infrastrutture S.p.A. – Director Valentino Fashion Group S.p.A. – Director Stevanato Group S.p.A. – Director Sit Technologies S.p.A. – Auditor Sit S.p.A. – Auditor Sit Immobiliare S.p.A. – Director Benetton Group S.r.l. – Director Impresa Costruzioni Giuseppe Maltauro S.p.A. – Auditor Afv Acciaierie Beltrame S.p.A. – Director Dulevo International S.p.A. – Auditor
Giulio Burchi	Director	Autocamionale della CISA S.p.A. – Chairman Società di progetto Brebemi S.p.A.– Director Autostrade Lombarde S.p.A. – Director Itinera S.p.A. – Director A4 Holding S.p.A. – CEO
Luciano de Crecchio	Director	Astaldi S.p.A. – General Manager for Italy and for Industrial Services Società Di Progetto Consortile Per Azioni M4 – Member of Executive Committee Metro C S.c.p.a. – Director
Maurizio Pagani.....	Director	Autostrade Lombarde S.p.A. – Director Società Di Progetto Brebemi S.p.A. – Director Argentea Gestioni S.c.p.a.– Director F2i S.G.R. S.p.A. – Director A4 Holding S.p.A. – Managing Director
Attilio Schneck	Director	G.R.A. Di Padova S.p.A. – Director A4 Holding S.p.A. – Chairman of the Board of Directors Confederazione Autostrade S.p.A. – Director Autostrada Nogara Mare Adriatico S.c.p.a. – Director
Giovanni Miozzi	Director	No significant activities outside the Issuer

Independent Directors

The current Board of Directors includes two Directors who meet the requirement of independence and qualify as independent directors in accordance with the Consob Regulation No 11971 del 14 May 1999 (as amended from time to time). As at the date of this Prospectus, the independent Directors are Francesco Bettoni and Giovanni Miozzi.

Senior Management

The principal executive officers of the Issuer are as follows:

Bruno Chiari, General Manager

Bruno Chiari holds a degree in economics. He has been chief executive officer of the Issuer since June 2010. From 1999 to 2001 he was Head of Risk Management and then from 2001 to 2010 he was Head of Administration, Finance and Risk at the Issuer.

Since 2002, he has served as director in various companies of the Group such as: Serenissima R.E.S. S.p.A., Ristop S.r.l., Serenissima Costruzioni S.p.A., Serenissima S.G.R. S.p.A., Serenissima Trading S.p.A., Infracom Italia S.p.A., Autostrade Lombarde S.p.A. and Brebemi S.p.A.

Before joining the Issuer, from 1989 to 1998 he was the Head of Risk Management at “**Group Metal Work**” of Concesio (BS).

Supervisory Committee

On 24 June 2014 the Board of Directors of A4 Holding approved the compliance model of the A4 Group pursuant to Legislative Decree No. 231 of 2001 on criminal liability of legal entities.

The Issuer’s Supervisory Committee was appointed, in compliance with the provisions of Legislative Decree No. 231/2001 (and subsequent amendments, in particular those introduced by Legislative Decree No. 61/2002), by the Board of Directors on 6 June 2013 for the financial years 2013-2014-2015. Autostrada Brescia Padova’s Supervisory Committee is composed of three members: Alberto Balestri (chairman), Andrea Dante and Marina Iacobazzi and is in charge of the supervisory activities set forth by Legislative Decree No. 231/2001 aimed at the correct application of, and compliance with, the Organization, Management and Control Model as well as the Code of Ethics.

Board of Statutory Auditors

Pursuant to Italian law, the Board of Statutory Auditors (*Collegio Sindacale*) must oversee the Issuer’s compliance with applicable laws and bylaws, proper administration, the adequacy of internal controls and accounting reporting systems as well as the adequacy of provisions concerning the supply of information by subsidiaries. The Board of Statutory Auditors is required to report specific matters to shareholders and, if necessary, to the relevant court. The Issuer’s directors are obliged to report to the Board of Statutory Auditors promptly, and at least quarterly, regarding material activities and transactions carried out by the Issuer. Any member of the Board of Statutory Auditors may request information directly from the Issuer and any two members of the Board of Statutory Auditors may convene meetings of the shareholders or the Board of Directors, seek information on management from the Directors, carry out inspections and verifications at the company and exchange information with the Issuer’s external auditors. The members of the Board of Statutory Auditors are required to be present at meetings of the Board of Directors and shareholders’ meetings.

The Board of Statutory Auditors of the Issuer shall be composed of five members, one of which designated by the MIT and another one designated by the MEF. The eligibility requirements, their roles, their responsibilities and their remuneration are established by law. The term of office of the present members of the Board of Statutory Auditors, who were appointed on 10 March 2014, is scheduled to expire at the shareholders’ meeting called for the purpose of approving the Issuer’s financial statements for the year ending 31 December 2016.

The current members of the Board of Statutory Auditors are as follows:

Name	Position	Principal activities outside the Issuer
Giorgio Danieli	Chairman designated by the MEF	Pedemontana Veneta Società S.p.A. in Liquidazione – Chairman of Board of Auditors
Stefano Chirico	Auditor	<p>Vetriere Meridionali S.p.A. – Chairman of Board of Auditors F.I.V. Fabbrica Italiana Velocipedi Edoardo Bianchi S.p.A. – Director Reggiano Macchine S.p.A. – Chairman of Board of Auditors Bianchi Café & Cycles Italia S.r.l. – Director Alto S.r.l. – Auditor Phoenix International S.p.A. – Auditor AEG Group S.p.A. – Director M.P.S. S.r.l. in liquidazione – Receiver/Trustee in bankruptcy Dress Shop S.a.s. – Receiver/Trustee in bankruptcy Brainware S.p.A. – Auditor Adda Impianti in liquidazione – Receiver/Trustee in bankruptcy Alfa Company S.r.l. – Receiver/Trustee in bankruptcy Nicolodi Andrea – Receiver/Trustee in bankruptcy F.G.M. S.r.l. – Receiver/Trustee in bankruptcy Albini Giampiero Scavi – Receiver/Trustee in bankruptcy Metal Green S.r.l. – Receiver/Trustee in bankruptcy SAL Costruzioni S.r.l. – Receiver/Trustee in bankruptcy Valsecchi Francesco – Receiver/Trustee in bankruptcy A.A.G. Stucchi S.r.l. – Director AS-SET S.a.s. di Francesco Chirico – Limited Partner Perego Real Estate S.r.l. – Receiver/Trustee in bankruptcy Licini Luca S.r.l. – Receiver/Trustee in bankruptcy PFA S.r.l. – Director Bruno Sforzi S.p.A. – Chairman of Board of Auditors Tescmec S.p.A. – Auditor FI. Ind S.p.A. – Deputy Auditor Lombardia Film Commission – Statutory Auditor Opera Project S.r.l. – Chairman of Board of Auditors Finanziaria del vetro S.p.A. – Auditor G.F.M. Industria S.p.A. – Chairman of Board of Auditors Alpiere S.r.l. Deputy – Member of Board of Auditors O-I Manufacturing Itali S.p.A. – Auditor Novaref S.p.A. – Chairman of Board of Auditors Vetriere Riunite S.p.A. – Auditor Borromini S.r.l. – Chairman of Board of Auditors</p>
Hager Heinz Peter	Auditor	<p>Beni Stabili Retail S.r.l. – Director Bugimo S.a.s. Di Heinz Peter Hager & C. – General Partner Fondazione Museion. Museo di Arte Moderna e Contemporanea – Director Herzog Re - S.n.c. di Museum s.a.s. di Heinz Peter Hager & C. e di H.08 S.r.l. & C. S.a.s. – Legal Representative Immobiliare Bolzano S.r.l. – Director KHB S.r.l. – Chairman of Board of Directors Marmont K.G. Des Heinz Peter Hager – General Partner Michetta S.n.c. di Dott. Massimo De Carlo & Dott.Heinz Peter Hager – Managing Partner Museum S.a.s. di Heinz Peter Hager & C. – Legal Representative and General Partner P.Finance S.r.l. – Sole Director Pro Strategy S.r.l. – Sole Director Fri-El - S.p.A. – Auditor 2 G Investimenti S.p.a. – Auditor A4 Holding S.p.A. – Chairman of Board of Auditors Abd Airport S.p.A. – Auditor Agorà Investimenti S.p.A. – Auditor Alois Lageder S.p.A. – Chairman of Board of Auditors Alto-Adige Finance S.p.A. – Chairman of Board of Auditors Alupress S.p.A. – Deputy Auditor Banca Popolare Dell'alto Adige Società Cooperativa Per</p>

Name	Position	Principal activities outside the Issuer
		Azioni – Chairman of Board of Auditors Berofin - S.p.A. – Chairman of Board of Auditors Compagnia Italiana Finanziaria S.r.l. Forma – Auditor Consorzio Dei Concessionari Di Linea Della Provincia Autonoma Di Bolzano Alto Adige In Breve "Libus" – Chairman of Board of Auditors Durst Phototechnik S.p.A. – Deputy Auditor Eos Sozialgenossenschaft – Chairman of Board of Auditors Gkn Driveline Brunico S.p.A. – Auditor Gkn Italia S.p.A. – Auditor Gkn Sinter Metals S.p.A. – Chairman of Board of Auditors Green Bit S.p.A. – Deputy Auditor Iniziative Logistiche S.r.l. – Auditor Lanificio Moessmer S.p.A. – Chairman of Board of Auditors Marco Polo Holding S.r.l. – Auditor Oberrauch Holding S.r.l. – Auditor Re. Consult Infrastrutture S.p.A. – Chairman of Board of Auditors Roechling Automotive Italia S.r.l. – Chairman of Board of Auditors Save S.p.A. – Deputy Auditor Technicon S.p.A. – Deputy Auditor Technoalpin S.p.A. – Auditor Technoalpin Holding S.p.A. – Auditor
Felice Morisco	Auditor designated by MIT	Autostrada Pedemontana Lombarda S.p.A. – Auditor Autostrade Meridionali S.p.A. – Auditor Autostrada Del Brennero S.p.A. – Auditor
Cristiano Maccagni	Auditor	Beza S.p.A. – Chairman of Board of Auditors Ater Verona – Chairman of Board of Auditors Acque Veronesi S.c.ar.l. – Chairman of Board of Auditors Astea S.p.A. – Auditor Marmi Rossi S.p.A. – Auditor Vallan Infrastrutture S.p.A. – Auditor Gelmini Impianti S.p.A. – Auditor Italgestioni S.r.l. – Auditor Abrasivi Adria S.r.l. – Auditor
Leonardo Cossu	Deputy	No significant activities outside the Issuer
Giuliano Terrenghi	Deputy	No significant activities outside the Issuer

Conflicts of interest

As at the date hereof, the above mentioned members of the Board of Directors, the Board of Statutory Auditors and the principal officers of the Issuer do not have any potential conflicts of interests between duties to the Issuer and their private interests or other duties.

SHAREHOLDERS

The Issuer is a wholly owned subsidiary of A4 Holding and is subject to its management and coordination within the meaning of article 2497 of the Civil Code. Italian corporate governance rules are designed to prevent the risk of abusive exercise of control by controlling shareholders. In 2011, A4 Holding completed a reorganisation process aimed at achieving substantial management and financial segregation between the activities covered by the Concession Agreement and other unregulated conventional activities.

As at the date of this Prospectus, the leading shareholders of A4 Holding are Intesa Sanpaolo S.p.A. and Astaldi S.p.A. (the second largest Italian construction company) through Re. Consult Infrastrutture S.p.A. which owns 44.8% of A4 Holding's capital stock. Public shareholders (such as provinces, municipalities and chambers of commerce of the territory) hold in aggregate 32.2% while 16.4% of the capital stock of the Issuer is distributed among other private investors, including *inter alia* Società delle Autostrade Serenissima S.p.A. and Unione Fiduciaria S.p.A.

19.5% of the share capital of the Issuer is pledged by A4 Holding S.p.A. as follows:

- 23,400 ordinary shares represented by share certificate No. 1 are pledged in favour of Cassa di Risparmio del Veneto S.p.A. and
- 24,351,600 ordinary shares represented by share certificate No. 3 are pledged in favour of Cassa di Risparmio del Veneto S.p.A.

The share pledge does not secure the obligations of the Issuer but only the obligations of another company of the A4 Group.

INTERCREDITOR ARRANGEMENTS

Under the terms of the Trust Deed, the Issuer has undertaken to enter into, and procure that the Trustee, the Security Agent and the creditors (or their representative or trustee) under any Required Capex Indebtedness (the “**Required Capex Indebtedness Creditors**”) enter into, intercreditor arrangements (the “**Intercreditor Arrangements**”) in accordance with the terms of the intercreditor principles set out in the Trust Deed on or prior to entering into any agreement to incur Required Capex Indebtedness.

If and to the extent such Intercreditor Arrangements are entered into, they will govern, among other things: (a) the ranking of indebtedness and enforcement of the Transaction Security by the Trustee, the Noteholders’ Representative, any Required Capex Indebtedness Creditors and certain hedge counterparties, (b) the rights and obligations of the Trustee, the Noteholders’ Representative, any Required Capex Indebtedness Creditors and certain hedge counterparties and (c) the enforcement actions that can be taken by the Security Agent in respect of any Security Interest created (or expressed to be created) under or in connection with the Security Documents.

Pursuant to the terms of the Intercreditor Arrangements, the claims of the holders of the Notes will rank *pari passu* with those of any Required Capex Indebtedness Creditors and certain hedge counterparties.

It is expected that any Intercreditor Arrangements will be governed by, and shall be construed in accordance with, English law.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form. 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 in Global Form”.

The €600,000,000 2.375 per cent. Notes due 20 March 2020 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Notes) of Autostrada Brescia-Verona-Vicenza-Padova S.p.A. (“**Autostrada Brescia Padova**” or the “**Issuer**” which expression shall include any Person substituted in place of the Issuer in accordance with Condition 3.4 (*Step-in Rights*) or any permitted successor(s) or assignee(s) and constituted by a trust deed dated 20 March 2015 (as amended or supplemented from time to time, the “**Trust Deed**”) made between the Issuer, BNP Paribas Trust Corporation UK Limited as trustee (the “**Trustee**”) and BNP Paribas Securities Services, Milan Branch as security agent (the “**Security Agent**”).

These Conditions include summaries of the Trust Deed, the Agency Agreement (as defined below), the Security Documents (as defined below) and any Intercreditor Arrangements (as defined below), and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 20 March 2015 (as amended or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as principal paying agent (the “**Principal Paying Agent**”) and any other paying agents appointed thereunder from time to time (together with the Principal Paying Agent, the “**Paying Agents**”) and the Trustee are available for inspection during normal business hours by holders of the Notes (the “**Noteholders**”) and holders of the interest coupons appertaining to the Notes (the “**Couponholders**” and the “**Coupons**” respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement, any Intercreditor Arrangements and the Security Documents applicable to them. References in these Conditions to the Trustee and any Paying Agent shall include any successor appointed under the Trust Deed or the Agency Agreement, as the case may be.

Under the terms of the Trust Deed, the Issuer has undertaken to enter into, and procure that the Trustee, the Security Agent and the creditors (or their representative or trustee) under any Required Capex Indebtedness (as defined below) enter into, intercreditor arrangements (the “**Intercreditor Arrangements**”) in accordance with the terms of the intercreditor principles set out in the Trust Deed on or prior to entering into any agreement to incur Required Capex Indebtedness.

References to “**€**” or “**Euro**” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €99,000, with Coupons attached on issue.

1.2 Title

Title to the Notes and the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS AND DEFINITIONS

2.1 Status of the Notes

The Notes and the Coupons are direct, unconditional obligations of the Issuer which are secured in the manner provided in Condition 3 (*Negative Pledge and Transaction Security*) and rank and will rank *pari passu*, without any preference among themselves and at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

2.2 Definitions and Interpretation

For the purposes of these Conditions:

“**A4/A31 Operational Control**” means the right of the Issuer to collect, for its own benefit or for the benefit of the Grantor, all amounts deriving from the operation of the Motorway Assets under the Concession Agreement. For the avoidance of doubt, an early termination event (*decadenza, risoluzione, revoca* or *recesso*) under the Concession Agreement will not *per se* constitute a loss of A4/A31 Operational Control;

“**Accounting Principles**” means generally accepted accounting principles in Italy;

“**Affiliate**” means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“**Affiliate Transaction**” means any transaction between the Issuer and/or any Consolidated Subsidiary and any Affiliate of the Issuer involving payments to or sale, leasing, transfer or otherwise disposal of any of the properties or assets of the Issuer and/or such Consolidated Subsidiary to, or purchase of any property or assets from, or the entry into, the execution or the amendment, of any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer;

references to “**capital expenditure**” are to capital expenditure under the Accounting Principles;

“**Capital Stock**” means:

- (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing; and
- (ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing;

“**Cash Equivalent Investments**” means:

- (i) securities issued or directly and fully guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency (including export credit agencies or equivalent entities) or instrumentality thereof, the securities of which are guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;
- (ii) certificates of deposit, time deposits, euro time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof (a “**Deposit**”) or cash in credit balance or deposit which are freely transferable or convertible within 3 days issued or held by any bank or trust company

(A) whose commercial paper is rated at least “F-3” or the equivalent thereof by Fitch or at least “P-3” or the equivalent thereof by Moody’s, or at least “A 3” or the equivalent thereof by S&P (or if at the time none of Fitch, Moody’s or S&P is issuing comparable ratings, then a comparable rating of another Rating Agency) or (B) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

- (iii) repurchase obligations for underlying securities of the types described in paragraphs (i) and (ii) entered into with any financial institution meeting the qualifications specified in paragraph (ii) above;
- (iv) commercial paper rated at the time of acquisition thereof at least “P-3” by Moody’s or at least “F-3” by Fitch or at least “A 3” by S&P (or if at the time none of Fitch, Moody’s or S&P is issuing comparable ratings, then a comparable rating of another Rating Agency) and in each case maturing within 12 months after the date of acquisition thereof;
- (v) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Norway, Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s, S&P or Fitch (or if at the time none of Fitch, Moody’s or S&P is issuing comparable ratings, then a comparable rating of another Rating Agency) with maturities of 24 months or less from the date of acquisition;
- (vi) Indebtedness issued by Persons with an Investment Grade Rating with maturities of 12 months or less from the date of acquisition;
- (vii) cash and cash equivalents as determined in accordance with the Accounting Principles; and
- (viii) interests in investment funds investing at least 95% of their assets in cash or securities of the types described in paragraphs (i) to (viii) above;

“**Common Stock**” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock;

“**Concession Agreement**” means a concession agreement executed on 9 July 2007 by and between the Grantor and the Issuer for the construction, operation and maintenance of the Motorway Assets, including the Regulatory Plan and all attachments, appendices and schedules, as amended or supplemented from time to time;

“**Concession Event**” means:

- (i) an amendment, modification or change:
 - (A) (whether by contract, by law, decree, regulation or otherwise) of the terms and conditions of the Concession Agreement; or
 - (B) in the administration or application of the Concession Agreement; or
 - (C) in any practice of any relevant authority (including the Grantor and the *Autorità di Regolazione dei Trasporti*),

which in each case is reasonably likely to result in a Termination Value Payment Material Reduction; or

- (ii) (unless the Issuer has received the Termination Value Payment in full) any event or circumstance that results in the Issuer no longer having A4/A31 Operational Control;

“Consolidated Subsidiary” means any Subsidiary of the Issuer that has become a Consolidated Subsidiary in accordance with (i) Condition 9.13 (*Consolidated and Unconsolidated Subsidiaries*) or (ii) paragraph (iii) of the definition of **“Permitted Indebtedness”**;

“Default” means an event or condition the occurrence of which is, or with the expiry of any grace period or the giving of notice or both would be, an Event of Default;

“Determination Date” means each of 30 June and 31 December in each year;

“EBITDA” means, in respect of any Relevant Period, the profit of the Issuer (consolidated, if available) before taxation, before deducting any net interest expense and extraordinary income/loss of the Issuer and (to the extent the Issuer’s financial statements are produced on a consolidated basis) any Consolidated Subsidiary in respect of that Relevant Period and adding back depreciation, amortisation and provisions (*accantonamenti*);

“Event of Default” has the meaning given to that term in Condition 10 (*Events of Default*);

“financial indebtedness” or **“indebtedness”** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

“Fitch” means Fitch Italia S.p.A.;

“Fixed Charge Coverage Ratio” means as of any Determination Date, the ratio of (a) EBITDA, less tax expenses for the Relevant Period ending on that Determination Date and (b) Net Interest Expenditure for the Relevant Period.

In the event that the Issuer or any Consolidated Subsidiary incurs, assumes, guarantees, repays, repurchases, redeems or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the calculation of the Fixed Charge Coverage Ratio is made, then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by reference to the most recent Determination Date) to such incurrence, assumption, guarantee, repayment, repurchase, redemption or other discharge of Indebtedness, and the use of proceeds therefrom, as if the same had occurred at the beginning of the applicable Relevant Period;

“Grantor” means the Italian Ministry of Infrastructure and Transport as grantor of the Concession Agreement (as substitute for A.N.A.S. S.p.A., the original grantor of the Concession Agreement), or any successor entity;

“Group” means the Issuer and its Consolidated Subsidiaries from time to time. For the avoidance of doubt, as of the Issue Date the Issuer does not have any Consolidated Subsidiaries;

“Guarantee” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any financial indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its financial indebtedness;

“Holding Company” means, in relation to a Person, any other Person in respect of which it is a Subsidiary;

“IFRS” means International Financial Reporting Standards, as adopted by the European Union;

“Indebtedness” means with respect to any Person, without duplication:

- (i) moneys borrowed and debit balances at banks or other financial institutions;

- (ii) indebtedness for borrowed money;
- (iii) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) finance leases;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under the Accounting Principles);
- (vi) obligations representing the deferred purchase price of property or services and such deferral exceeds 180 days;
- (vii) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles;
- (viii) obligations with respect to redeemable Capital Stock, Preferred Stock and disqualified Capital Stock; and
- (xii) guarantees or counter-indemnities of items referred to in paragraphs (i) to (viii) above,

but excluding, in each case, any Subordinated Shareholder Loans.

“**Investment Grade Rating**” means a rating of at least BBB- by S&P, Baa3 by Moody’s or BBB- by Fitch;

“**Investments**” means, with respect to any Person, all direct or indirect investments by such Person in other Persons that are or would be classified as Investments on a balance sheet prepared in accordance with the Accounting Principles;

“**Issue Date**” has the meaning given to that term in Condition 4.1;

“**Issuer’s Pledged Shares**” means shares representing 80.5 per cent. of the share capital of the Issuer.

“**Italian Civil Code**” means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented;

“**Lock-up Period**” means a period beginning on any date on which the Grantor has commenced formal proceedings or issued notice for early termination (*decadenza, risoluzione, revoca* or *recesso*) of the Concession Agreement and ending on any later date when the Concession Agreement has been extended or confirmed in favour of the Issuer and/or the relevant proceedings are terminated or the relevant notice is rescinded;

“**Material Adverse Effect**” means a material adverse effect on:

- (i) the business, operations, property or condition (financial or otherwise) of the Group taken as a whole;
- (ii) the ability of the Issuer to perform its obligations under the Notes, the Trust Deed and/or the other Transaction Documents;
- (iii) the ability of the Issuer to perform its material obligations under the Concession Agreement; or
- (iv) the validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting to be granted pursuant to any of, the Transaction

Documents or the rights or remedies of the Trustee or the Security Agent under any of the Security Documents;

“**Material Part**” means ten (10) per cent. or more of the debts of the Issuer, as calculated by reference to the then latest audited financial statements of the Issuer (consolidated, if available);

“**Minimum Rating**” means:

- (i) if, immediately prior to the announcement of the relevant arrangement (as described in the definition of “**Permitted Reorganisation**”), the Notes carried an Investment Grade Rating, an Investment Grade Rating; and
- (ii) if, immediately prior to the announcement of the relevant arrangement (as described in the definition of “**Permitted Reorganisation**”), the Notes carried a Non-Investment Grade Rating, a credit rating that is not lower than the lowest rating assigned by any of the Rating Agencies to, or carried by, the Notes immediately prior to the announcement of such arrangement;

“**Moody’s**” means Moody’s Investors Service Ltd.;

“**Motorway Assets**” means each of the A4 Brescia-Padova motorway and the A31 motorways and all other assets as included in the Concession Agreement;

“**Net Debt**” means, in respect of any Relevant Period, the gross Indebtedness of the Issuer and (to the extent the Issuer’s financial statements are produced on a consolidated basis) any Consolidated Subsidiary, less cash and Cash Equivalent Investments of the Issuer and (to the extent the Issuer’s financial statements are produced on a consolidated basis) of any Consolidated Subsidiary determined in accordance with the then latest financial statements of the Issuer (consolidated, if available) and in accordance with the Accounting Principles;

“**Net Income**” means, in respect of any Relevant Period, the net income of the Issuer and (to the extent the Issuer’s financial statements are produced on a consolidated basis) any Consolidated Subsidiary in respect of that Relevant Period;

“**Net Interest Expenditure**” means, for any Relevant Period, the aggregate amount of the accrued interest, commissions, fees (other than any upfront or arrangement fees), discounts, prepayment fees, premiums or charges and other finance payments in respect of Indebtedness paid, net of any interest revenue (if any) on any cash or Cash Equivalent Investment received by the Issuer and (to the extent the Issuer’s financial statements are produced on a consolidated basis) any Consolidated Subsidiary in cash or capitalised in respect of that Relevant Period determined in accordance with the then latest financial statements of the Issuer (consolidated, if available) and in accordance with the Accounting Principles;

“**No Default Certificate**” means the certificate to be delivered on each Reporting Date and signed by a duly Authorised Signatory (as defined in the Trust Deed) of the Issuer, certifying that no Event of Default has occurred during that Relevant Period and is continuing as at the date of the certificate.

“**Non-Investment Grade Rating**” means a rating of BB+ by S&P, Ba1 by Moody’s or BB+ by Fitch, or lower;

“**Permitted Acquisition**” means any acquisition of any company or any shares or securities or a business or undertaking or any other assets (including concessions) which, in each case,

- (i) are strictly required in writing by the Grantor or under the terms of the Concession Agreement; or
- (ii) are provided under article 5 of Law Decree No. 133/2014 as converted by Law No. 164/2014 (as subsequently amended); or

- (iii) are previously approved in writing by the Grantor or expressly permitted under the terms of the Concession Agreement or is not otherwise expressly prohibited by the Grantor; or
- (iv) against such prohibition by the Grantor and such formal objections have reasonable prospects of success in the opinion of the Trustee (after having received an opinion of independent legal advisers of recognised standing in the relevant jurisdiction in this regard),

and *provided further that* (in the case of (ii) and (iii)) at the time of such acquisition the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to Condition 9.1 (*Limitation on Indebtedness*) after such acquisition;

“Permitted Affiliate Transaction” means any Affiliate Transaction which:

- (i) is not prohibited by the Concession Agreement or the Public Procurement Code;
- (ii) has not been expressly prohibited by the Grantor; or
- (iii) which has been prohibited by the Grantor but the Issuer has raised formal objections against such prohibition by the Grantor and such formal objections have reasonable prospects of success in the opinion of the Trustee (after having received an opinion of independent legal advisers of recognised standing in the relevant jurisdiction in this regard);

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal:

- (i) of assets which:
 - (A) is strictly required in writing by the Grantor or under the terms of the Concession Agreement; or
 - (B) is previously approved in writing by the Grantor or expressly permitted under the terms of the Concession Agreement or is not otherwise expressly prohibited by the Grantor,

and *provided further that* within 365 days after the receipt of any net proceeds from any such disposal, the Issuer (or the applicable Consolidated Subsidiary, as the case may be) has applied such net proceeds:

- (1) to make an acquisition which is a Permitted Acquisition;
 - (2) to make a capital expenditure or acquire other assets which are used or useful for the business of the Issuer; or
 - (3) to make Permitted Investments;
- (ii) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (iii) of assets in exchange for other assets comparable or superior as to type, value and quality;
- (iv) of obsolete or redundant vehicles, plant and equipment for cash;
- (v) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (vi) arising as a result of any Permitted Security Interest or Permitted Affiliate Transaction; or
- (vii) of assets for cash where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net

consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed €5,000,000 (or its equivalent in other currencies) in any financial year of the Issuer;

“Permitted Guarantee” means any guarantee or counter-indemnity:

- (i) granted by or in the interest of the Issuer or any Consolidated Subsidiary and which is strictly required in writing by the Grantor or under Article 3 aa) or 6 of the Concession Agreement;
- (ii) granted by the Issuer or any Consolidated Subsidiary and which is previously approved in writing by the Grantor or is not otherwise expressly prohibited by the Grantor;
- (iii) granted by (A) the Issuer to or for the benefit of any Consolidated Subsidiary or (B) any Consolidated Subsidiary to another Consolidated Subsidiary or to the Issuer;
- (iv) granted by the Issuer to or for the benefit of any Unconsolidated Subsidiary as of the Issue Date;
- (v) granted by the Issuer to or for the benefit of any Person to the extent such guarantee or indemnity is counter-guaranteed in full by the Permitted Holder(s) in an amount not exceeding, in aggregate for all such guarantees or indemnities, €15,000,000 (or its equivalent in other currencies);

“Permitted Holder(s)” has the meaning given to that term in Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*);

“Permitted Indebtedness” means:

- (i) Indebtedness under the Notes;
- (ii) Indebtedness in respect of any performance bonds issued in the interest of the Issuer or any Consolidated Subsidiary, workers’ compensation claims, accrued and unpaid tax liabilities and overdrafts in an amount not exceeding Euro 1 (one) million (or its equivalent in other currencies) in aggregate at any time; or
- (iii) Indebtedness of a Subsidiary of the Issuer incurred prior to such Person becoming part of the Group, provided that:
 - (A) such Person becomes a Consolidated Subsidiary immediately after such acquisition or other transaction; and
 - (B) such Indebtedness is Permitted Subsidiary Indebtedness;
- (iv) arising under any Permitted Guarantee;

“Permitted Investments” means any Investments in:

- (i) Cash Equivalent Investments;
- (ii) securities having an Investment Grade Rating issued or directly and fully guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality thereof, the securities of which are guaranteed as a full faith and credit obligation of such government;
- (iii) repurchase obligations for underlying securities of the types described in paragraph (ii) entered into with any financial institution meeting the qualifications specified in such paragraph;

- (iv) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Norway, Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's, S&P or Fitch (or if at the time none of Fitch, Moody's or S&P is issuing comparable ratings, then a comparable rating of another Rating Agency);
- (v) Indebtedness issued by Persons with an Investment Grade Rating; or
- (vi) interests in investment funds investing at least 95% of their assets in cash or securities of the types described in paragraphs (i) to (v) above;

“Permitted Loan” means any loan or other form of financial support:

- (i) granted by the Issuer or any Consolidated Subsidiary and which are strictly required in writing by the Grantor or under the Concession Agreement;
- (ii) granted by the Issuer or any Consolidated Subsidiary and which are previously approved in writing by the Grantor or otherwise not expressly prohibited by the Grantor;
- (iii) granted by the Issuer or any Consolidated Subsidiary which has been prohibited by the Grantor but the Issuer has raised formal objections against such prohibition by the grantor and such formal objections have prospects of success in the opinion of the Trustee (after having received an opinion of independent legal advisers of recognised standing in the relevant jurisdiction in this regard);
- (iv) granted by (A) the Issuer to or for the benefit of any Consolidated Subsidiary or (B) any Consolidated Subsidiary to another Consolidated Subsidiary or to the Issuer;
- (v) granted by the Issuer to any Person, existing as of the Issue Date and resulting from the financial statements of the Issuer as of 31 December 2014; or
- (vi) to any Person not exceeding €5,000,000 (or its equivalent in other currencies) in aggregate at any time;

“Permitted Reorganisation” means any *“fusione”* or *“scissione”* (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other reconstruction, amalgamation, reorganisation, merger, consolidation, disposal or transfer of assets or other similar arrangement (including any series of connected transactions), in each case:

- (i) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; or
- (ii) which is strictly required in writing by the Grantor or under the Concession Agreement; or
- (iii) which is previously approved in writing by the Grantor; or
- (iv) which is provided under Article 5 of Law Decree No. 133/2014 as converted by Law 164/2014 (as subsequently amended);
- (v) in the case of a Consolidated Subsidiary, whilst solvent, whereby all or substantially all of the assets and undertaking of such Consolidated Subsidiary are transferred to or otherwise vested in the Issuer or another Consolidated Subsidiary; or
- (vi) in the case of the Issuer, whilst solvent (and other than in respect of a transaction between the Issuer and any of its Consolidated Subsidiaries described under paragraph (iv) above), whereby (A) all or substantially all of the assets and liabilities of the Issuer are transferred to an entity (which prior to or immediately upon such

transfer, is a Consolidated Subsidiary of the Issuer) and (B) such entity assumes, in accordance with the provisions of the Trust Deed and upon execution of all necessary documents as specified in the Trust Deed, all of the obligations of the Issuer under the Notes and the Trust Deed,

provided that:

- (A) in the case of (iii), (iv) or (v) above (each a “**Relevant Reorganisation**”), following the completion of the relevant arrangement:
 - (1) the Notes maintain a rating, as attributed by each Rating Agency that rated the Notes prior to the announcement by, or with the consent of, the Issuer of such arrangement, at least equal to the Minimum Rating from the date of such announcement thereafter and for at least 180 days from the date of completion of the relevant arrangement; or
 - (2) (to the extent the Notes do not maintain a rating as described in paragraph (1)) in making the relevant decision(s) to downgrade the Notes to below the Minimum Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) did not result, in whole or in part, from the occurrence of the Relevant Reorganisation; and
- (B) in the case of (vi) above:
 - (1) no Default is continuing;
 - (2) at the time of such transaction the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to Condition 9.1(a) (*Limitation on Indebtedness*) after such transaction; and
 - (3) opinions of independent legal advisers of recognised standing in the relevant jurisdiction and as to English law, in each case in a form acceptable to the Trustee, have been delivered to the Trustee confirming that such successor entity has assumed the relevant obligations in accordance with applicable law at the effective date of such arrangement;

“**Permitted Security Interest**” means any Security Interest:

- (i) to secure the Notes;
- (ii) to secure any Required Capex Indebtedness;
- (iii) arising by operation of law and in the ordinary course of trading of the Issuer and its Subsidiaries;
- (iv) over assets which are not subject to Transaction Security, to secure Indebtedness whereby the aggregate principal amount of such Indebtedness outstanding from time to time shall not exceed €15,000,000 (or its equivalent in other currencies);
- (v) which is strictly required in writing by the Grantor or under the Concession Agreement; or
- (vi) which is previously approved in writing by the Grantor or otherwise not expressly prohibited by the Grantor;
- (vii) which has been prohibited by the Grantor but the Issuer has raised formal objections against such prohibition by the Grantor and such formal objections have reasonable prospects of success in the opinion of the Trustee (after having received an opinion of

independent legal advisers of recognised standing in the relevant jurisdiction in this regard);

“Permitted Subsidiary Indebtedness” means Indebtedness:

- (i) of any Consolidated Subsidiary which is strictly required by the Grantor or under the terms of the Concession Agreement;
- (ii) of any Consolidated Subsidiary, the outstanding amount of which does not exceed, when aggregated with the Indebtedness of all Consolidated Subsidiaries, €15,000,000 (or its equivalent in other currencies) in aggregate at any time;
- (iii) of any Consolidated Subsidiary, which is a Permitted Loan from the Issuer or another Consolidated Subsidiary; or
- (iv) of any Unconsolidated Subsidiary, the outstanding amount of which does not exceed, when aggregated with the Indebtedness of all Unconsolidated Subsidiaries, €15,000,000 (or its equivalent in other currencies) in aggregate at any time;

“Person(s)” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having a separate legal personality;

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation;

“Public Procurement Code” means the Italian public procurement code, established by Italian Legislative Decree No. 163 of 12 April 2006, as amended or supplemented from time to time;

“Qualified Holder” means any entity that, in accordance with relevant Italian laws and regulations, may subscribe for and hold the Notes. As of the date of the Issue Date qualified investors (*investitori qualificati*) (as defined in article 100 of the of the Legislative Decree No. 58 of 24 February 1998, as amended) and entities controlled by such qualified investors pursuant to article 2359 of the Italian Civil Code are Qualified Holders pursuant to article 157 of the of the Legislative Decree No 163 of 2006, as amended;

“Rating Agency” means Fitch, Moody’s or S&P or any of their respective successors or any other rating agency established in the European Union and included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies as amended by Regulation (EU) No. 513/2011;

a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

“Regulatory Plan” means the economic and financial plan (*piano economico e finanziario*) approved from time to time by the Grantor in accordance with the Concession Agreement;

“Relevant Period” means a 12-month period ending on a Determination Date;

“Reporting Date” means a date falling no later than forty-five (45) days after the approval by the Board of Directors of the Issuer’s consolidated annual financial statements with respect to that Relevant Period, provided that, the first Reporting Date shall be the date falling no later than thirty (30) days after the approval by the Board of Directors of the Issuer’s consolidated financial statements as of and for the year ended 31 December 2015;

“Required Capex Indebtedness” means any Indebtedness incurred by the Group to finance any Required Capital Expenditure which, upon its incurrence:

- (i) complies with Condition 9.1(a) (*Limitation on Indebtedness*); and
- (ii) benefits from the Transaction Security;

“**Required Capital Expenditure**” means any capital expenditure which is:

- (i) strictly required by the Grantor or under the Concession Agreement; and
- (ii) eligible for inclusion in any Termination Value under the terms of the Regulatory Plan;

“**S&P**” means Standard & Poor’s Credit Market Services Italy S.r.l.;

“**Security Documents**” means the Securities Pledge, the Special Privilege, the General Privilege, the Bank Account Pledge, any Additional Security Agreement and any deed or document from time to time amending or supplementing any of the above;

“**Security Interest**” means any mortgage, charge, pledge, lien, other encumbrance or other form of security interest including, without limitation, anything substantially analogous to any of the foregoing under the laws of any jurisdiction;

“**Speculative Hedging Transaction**” means any derivative transaction entered into for investment or speculative purposes which is not entered into in connection with protection against or benefit from fluctuation in any rate or price in the ordinary course of business of the Issuer;

“**Subordinated Shareholder Loans**” means, in relation to any unsecured financial indebtedness provided to the Issuer by the Holding Company of the Issuer and/or other shareholders of the Issuer at an interest rate upon market terms, that:

- (i) the provider of such financial indebtedness has no contractual right:
 - (A) to receive any payments of principal; nor
 - (B) to bring any claim of any nature against any member of the Group, instigate any proceedings of any nature against any member of the Group or accelerate payment in respect of the financial indebtedness; and
- (ii) that under the terms governing such financial indebtedness, the Issuer or such Consolidated Subsidiary, as applicable, is not required to grant any Security Interest or encumbrance, including, without limitation, over any securities issued by, or asset of, any member of the Group,

until all amounts outstanding under the Notes and any Required Capex Indebtedness have been repaid in full;

“**Subsidiary**” means *società controllata*, as defined in Article 2359, first paragraph, of the Italian Civil Code;

“**Substantial Part**” means thirty-five (35) per cent. or more of the Total Assets or the Total Revenues, as calculated by reference to the then latest audited financial statements of the Issuer (consolidated, if available);

“**Termination Value**” means, at any time, the estimated value of any Termination Value Payment, as determined from time to time by the Issuer (acting reasonably and in accordance with the Regulatory Plan) and as set out in the Issuer’s financial statements in item “(B)(I)” (*immobilizzazioni materiali – (4) altri beni devolvibili*) of its financial statements;

“**Termination Value Payment Material Reduction**” means, at any time:

- (i) a reduction in the Termination Value as determined by reference to the Issuer’s financial statements; or

- (ii) a determination by the Trustee, made following a final judgment of any competent authority, that since the most recent Determination Date as of which the Termination Value was determined by reference to the Issuer's financial statements, it is reasonably likely that the Termination Value Payment which is expected to be paid to the Issuer would be reduced,

such that, in each such case, the Issuer would no longer expect to receive a Termination Value Payment in an amount sufficient to repay in full (A) the Notes, (B) any Required Capex Indebtedness and (C) any other liabilities of the Issuer which rank at least *pari passu* with the Notes then outstanding. For the avoidance of doubt, the Trustee will not be obligated to determine whether a reduction in the Termination Value Payment is expected;

“Termination Value Payment” means, at any time, the value of any payment made or to be made to the Issuer (i) upon the termination, forfeiture, revocation, resolution or expiry (*decadenza, risoluzione, revoca, recesso* or *scadenza*) (both if natural or anticipated) of the Concession Agreement under the terms of the Concession Agreement or as result of the Issuer exercising its rights of withdrawal under the Concession Agreement; or (ii) in all other cases where the Issuer is substituted by another entity in managing the Motorway Assets or the Concession Agreement and a payment of the Termination Value is to be made by such other entity in accordance with the Concession Agreement or the Public Procurement Code;

“Total Assets” means, at any time, in respect of any Relevant Period, the total assets of the Issuer and (to the extent the Issuer's financial statements are produced on a consolidated basis) any Consolidated Subsidiary;

“Total Revenues” means, at any time, in respect of any Relevant Period, the total revenues of the Issuer and (to the extent the Issuer's financial statements are produced on a consolidated basis) any Consolidated Subsidiary;

“Transaction Documents” means the Trust Deed, the Agency Agreement, the Security Documents and any Intercreditor Arrangements;

“Transaction Security” means any Security Interest created pursuant to the Security Documents;

“Unconsolidated Subsidiary” means Società Tangenziali Lombardo Venete S.r.l. and any other Subsidiary that is not a Consolidated Subsidiary;

“Valdastico Nord Works Commencement” means the date on which the construction works on the “Valdastico Nord” motorway have been commenced as indicated by the Issuer in the works commencement report (*verbale di inizio lavori*) executed, among others, by the Issuer and the A4/A31 Grantor; and

save as the context otherwise provides, a provision of law, a decree or any regulation is a reference to that provision as amended or re-enacted.

3. NEGATIVE PLEDGE AND TRANSACTION SECURITY

3.1 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer shall procure that no Consolidated Subsidiary will, create or have outstanding any Security Interest (other than a Permitted Security Interest) upon, or with respect to, any of their present or future business, undertakings, assets or revenues (including any uncalled capital) to secure any Indebtedness, without:

- (a) at the same time or prior thereto, securing by way of Security Interest all amounts payable by the Issuer under the Notes, the Coupons and the Trust Deed equally and rateably with such Indebtedness to the satisfaction of the Trustee; or

- (b) providing such Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

3.2 Transaction Security

The obligations of the Issuer under the Notes, the Trust Deed, any Intercreditor Arrangements are secured in favour of (A) the Trustee for the benefit of itself and as parallel debt creditor, (B) the Security Agent for the benefit of itself and as *rappresentante* pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code, (C) the Noteholders as a class and (D) any creditors (or their representative or trustee) under any Required Capex Indebtedness subsisting from time to time, (together the “**Secured Creditors**”) as follows:

- (a) by a pledge in respect of the Issuer’s Pledged Shares pursuant to a pledge agreement (governed by Italian law) dated on or about the Issue Date between *inter alios*, the Permitted Holder(s), the Security Agent and the Trustee (the “**Securities Pledge**”);
- (b) by a “*privilegio speciale*” over movable present and future assets of the Issuer pursuant to article 46, paragraph 1-*bis* of legislative decree 385/1993 dated on or about the Issue Date between, *inter alios*, the Issuer, the Security Agent and the Trustee (the “**Special Privilege**”);
- (c) by a “*privilegio generale*” over movable present and future assets of the Issuer pursuant to article 160 of the Public Procurement Code dated on or about the Issue Date between *inter alios*, the Issuer, the Security Agent and the Trustee (the “**General Privilege**”); and
- (d) by a pledge in respect of all the Issuer’s right, title, interest and benefit present and future in, to and under the balances at any time standing to the credit of or accrued or accruing on one or more bank accounts of the Issuer, dated on or about the Issue Date between *inter alios*, the Issuer, the Security Agent and the Trustee (the “**Bank Account Pledge**”).

3.3 Additional Transaction Security

If:

- (a) a Default is continuing; or
- (b) a Security Interest is to be established for the Issuer to comply with Condition 9.12 (*Receipt of Termination Value Payment*),

the Trustee may (upon consultation with the Issuer for a period not exceeding five Business Days (or, if the Trustee and the Issuer do not agree following such consultation period then, as required by the Trustee) and to the extent not expressly prohibited by the Concession Agreement or the Grantor) request that the Issuer grant, in favour of the Secured Creditors, such other Security Interest to secure the obligations of the Issuer under the Notes, the Trust Deed and the other Transaction Documents (each, an “**Additional Security Agreement**”).

3.4 Step-in Rights

The Trustee may designate, in accordance with the terms of the Trust Deed and the Public Procurement Code and in the circumstances described in article 159 of the Public Procurement Code (the “**Step-in Rights**”), a company or a corporation substituting the Issuer as concessionaire under the Concession Agreement (the “**Designated Step-in Successor**”). To the extent the Trustee has exercised the Step-in Rights and the designated Step-in Successor has been approved by the Grantor the Issuer shall:

- (a) procure that all or substantially all of the assets and liabilities of the Issuer are transferred to the Designated Step-in Successor; and
- (b) promptly do all such acts or execute all such documents in accordance with the terms of the Trust Deed (including assignments, transfers, mortgages, charges, notices and instructions) as

the Trustee may specify (and in such form as the Trustee may require in favour of the Trustee, the Security Agent or its nominee(s)) which are necessary or desirable for the transfer of all the obligations of the Issuer under the Notes and the Trust Deed to such Designated Step-in Successor.

4. INTEREST

4.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including 20 March 2015 (the “**Issue Date**”) at the rate of 2.375 per cent. *per annum* (the “**Rate of Interest**”), payable annually in arrear on 20 March in each year (each an “**Interest Payment Date**”). The first payment shall be made on 20 March 2016. The amount of interest payable on each Interest Payment Date shall be €23.75 per Calculation Amount.

4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five (5) days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*) (except to the extent that there is any subsequent default in payment).

4.3 Calculation of Broken Interest

If interest is required to be paid in respect of a Note on any date other than an Interest Payment Date, it 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 cent, with 0.5 cents being rounded upwards and *multiplying* such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.

In these Conditions:

- (a) “**Calculation Amount**” means €1,000; and
- (b) “**Day Count Fraction**” means (a) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS

5.1 Payments in Respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

5.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or to any other account to which euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET System.

5.3 **Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8 (*Prescription*)) or, if later, five (5) years after the date on which the Coupon would have become due, but not thereafter.

5.4 **Payments Subject to Applicable Laws**

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

5.5 **Payment Only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date for such payment.

In these Conditions:

- (a) “**Business Day**” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place;
- (b) “**Presentation Date**” means a day which (subject to Condition 8 (*Prescription*)):
 - (i) is or falls after the relevant due date;
 - (ii) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
 - (iii) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET Settlement Day;
- (c) “**TARGET Settlement Day**” means any day on which the TARGET System is open for the settlement of payments in euro; and
- (d) “**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system.

5.6 **Partial Payments**

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

5.7 **Initial Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;

- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any relevant authority, a Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union who is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the Republic of Italy.

Notice of any termination or appointment and of any changes in specified offices will be given to the Trustee and the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount together with any accrued and unpaid interest on 20 March 2020, subject as provided in Condition 5 (*Payments*).

6.2 Redemption for Taxation Reasons

If the Issuer certifies to the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a decision made by a court of competent jurisdiction), which change or amendment becomes effective after the Issue Date, the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*); and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at any time, at their principal amount together with interest accrued to but excluding the date of redemption provided that (i) no such notice of redemption shall be given earlier than 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 payable and (ii) unless, at the time such notice is given, such change or amendment remains in effect (or due to take effect).

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax 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, and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

In these Conditions, the “**Relevant Taxing Jurisdiction**” means:

- (a) the Republic of Italy or any political subdivision or any agency or authority thereof or therein having power to tax; or

- (b) any other jurisdiction or any political subdivision or any agency or authority thereof or therein having power to tax to which the Issuer may become subject in respect of payments of principal and interest on the Notes and Coupons.

6.3 Redemption at the Option of the Holders upon a Change of Control

Promptly and in any event within fifteen (15) Business Days after the occurrence of a Change of Control Put Event (as defined below), the Issuer will give written notice thereof (a “**Change of Control Notice**”) to the holders of all outstanding Notes in accordance with Condition 12 (*Notices*), which Change of Control Notice shall (i) refer specifically to this Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*), (ii) describe in reasonable detail the event or circumstances resulting in the Change of Control Put Event, (iii) specify the date for redemption of the Notes, which shall be a Business Day not less than 30 days and not more than 90 days after the date of such Change of Control Notice (“**Change of Control Redemption Date**”), (iv) offer to redeem, on the Change of Control Redemption Date, all Notes at 101 per cent. of their principal amount together with interest accrued thereon to the Change of Control Redemption Date and (v) specify the date by which holders must provide written notice to the Issuer of such holder’s redemption, which shall be not less than fifteen (15) days prior to the Change of Control Redemption Date (the “**Change of Control Response Date**”). For so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, the Issuer shall also notify the Irish Stock Exchange promptly of any Change of Control Put Event. The Issuer shall redeem on the Change of Control Redemption Date all of the Notes held by Noteholders that requires the redemption at the price specified above. If any holder does not require early redemption on or before the Change of Control Response Date, such holder shall be deemed to have waived its rights under this Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*) to require early redemption of all Notes held by such holder in respect of such Change of Control Put Event but not in respect of any subsequent Change of Control Put Event.

To exercise the right to require early redemption of any Notes, the holder of the Notes must deliver at the specified office of any Paying Agent, on any Business Day before the Change of Control Response Date (but not on such date), a duly signed and completed notice of exercise in the form (for the time being current and which may, if such Notes are held in a clearing system, be in any form acceptable to such clearing system and may be delivered in any manner acceptable to such clearing system) obtainable from the specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the Change of Control Redemption Date, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

For the purposes of this definition;

“**Change of Control**” means any Person or Persons (other than a Permitted Holder) acquiring Control of the Issuer;

a “**Change of Control Put Event**” shall be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) at the time of the occurrence of the Change of Control, the Notes carry any of the following:
 - (i) an Investment Grade Rating from any Rating Agency and such rating is, within 120 days of the occurrence of the Change of Control either downgraded to a Non-Investment Grade Rating or withdrawn and is not within such 120-day period subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or (in the case of a withdrawal) replaced by an Investment Grade Rating from any other Rating Agency;

- (ii) a Non-Investment Grade Rating, and such rating from any Rating Agency is within 120 days of the occurrence of the Change of Control downgraded by one or more notches (for illustration, BB+ to BB being one notch) and is not within such 120-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
- (iii) no credit rating, and no Rating Agency assigns, within 120 days of the occurrence of the relevant transaction, an Investment Grade Rating,

and, in making the relevant decision(s) referred to under paragraphs (b)(i) or (b)(ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control;

“**Control**” means the power to (i) appoint or remove a majority of the directors of the Issuer or (ii) exercise more than 50% of the voting rights normally exercisable at the Issuer’s ordinary and extraordinary shareholders’ meetings; and

“**Permitted Holder(s)**” means A4 Holding S.p.A.

6.4 **Redemption at the Option of the Issuer**

The Issuer may, having given not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes, at any time (the “**Optional Redemption Date**”) at a redemption price per Note equal to the greater of:

- (a) 100 per cent. of the nominal amount of the Note; and
- (b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal and interest on the Note (not including any interest accrued on the Note to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Dealer Rate (as defined below),

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date. Any notice so given shall oblige the Issuer to redeem the Notes on the Optional Redemption Date accordingly.

For the purpose of this Condition:

“**Reference Dealer Rate**” means, with respect to the Reference Dealers and the Optional Redemption Date, the average of the mid-market annual swap rate as determined by the Reference Dealers at 11:00 a.m. London time, on the third business day in London preceding such Optional Redemption Date quoted in writing to the Issuer by the Reference Dealers. For this purpose, the “**mid-market annual swap rate**” means the arithmetic mean of the bid and offered rates for the annual fixed leg calculated on such Optional Redemption Date on a 30/360 day count basis on a fixed-for-floating euro interest rate swap transaction maturing on the date originally scheduled for the redemption of the Notes; and

“**Reference Dealers**” means Banca IMI S.p.A. and UniCredit Bank AG, or their successors.

6.5 **Redemption upon Termination Value Payment**

Unless previously redeemed or purchased and cancelled as provided above, the Issuer will redeem the Notes at their principal amount together with any accrued and unpaid interest until the date of the redemption no later than 10 Business Days after receipt by the Issuer or any of its Subsidiaries (or by any person on its or their behalf) of any Termination Value Payment, subject as provided in Condition 5 (*Payments*).

6.6 No Other Redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 6.1 (*Redemption at Maturity*) to 6.5 (*Redemption upon Termination Value Payment*) above.

6.7 Purchases

The Issuer or any of its Subsidiaries may, at any time, purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued or resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation. Any Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders.

6.8 Cancellations

All Notes which are (i) purchased by the Issuer or any of its Subsidiaries and surrendered for cancellation or (ii) redeemed, and any unmatured Coupons attached to or surrendered with them, shall be cancelled and may not be reissued or resold.

6.9 Notices Final

Upon the expiry of any notice as is referred to in Conditions 6.2, 6.3 or 6.4 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Conditions. If more than one notice of redemption is given by the Issuer pursuant to these Conditions, or a Noteholder delivers a Put Notice pursuant to Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*), the first in time of such notices shall prevail.

7. TAXATION

7.1 Payment without Withholding

All payments in respect of principal and interest by the Issuer in respect of the Notes and the Coupons will 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 (“**Taxes**”) imposed or levied by or on behalf of any of the Relevant Taxing Jurisdictions, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes or (as the case may be) Coupons in the absence of such withholding or deduction, except that no additional amounts on account of Taxes shall be payable with respect to any Note or Coupon:

- (a) presented for payment by, or by a third party on behalf of, a holder who is liable to such Taxes, in respect of such Note or Coupon by reason of its having some connection (otherwise than merely by holding the Note or Coupon) with the Relevant Taxing Jurisdiction; or
- (b) presented for payment in the Republic of Italy; or
- (c) for or on account of *imposta sostitutiva* pursuant to the provisions of Legislative Decree No. 239 of 1 April 1996, as amended, supplemented or restated from time to time (“**Decree No. 239**”) or related implementing regulations; or for or on account of withholding tax or deduction pursuant to the provisions of Presidential Decree No. 600 of 29 September 1973, as amended, supplemented or restated from time to time or related implementing regulations; or
- (d) in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Decree No. 239 have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

- (e) presented for payment more than thirty (30) days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the 30th such day; or
- (f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to (i) European Council Directive 2003/48/EC or Regulation any law implementing or complying with, or introduced in order to conform to, such Directive or (ii) any international treaty or understanding relating to such taxation and to which the country of domicile or residence for tax purposes of the Issuer or the European Union is a party; or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation; or
- (g) held by or on behalf of a Noteholder or Couponholder who would have been able lawfully to avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements; or
- (h) presented for payment 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 European Union, without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 6.2 (*Redemption for Taxation Reasons*).

7.2 Interpretation

In these Conditions:

- (a) the “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 12 (*Notices*) that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation; and
- (b) any reference in these Conditions to “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition 7 (*Taxation*).

8. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5 (*Payments*).

9. COVENANTS

9.1 Limitation on Indebtedness

- (a) So long as any of the Notes or Coupons remain outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Consolidated Subsidiaries will, incur any additional Indebtedness (other than Permitted Indebtedness) if on the date of the incurrence of such additional Indebtedness the ratio of Termination Value to Net Debt relating to the most recently ended Relevant Period is less than 1.20 to 1.00, determined on a *pro forma* basis, assuming for these purposes that such additional Indebtedness (when aggregated with any other additional Indebtedness incurred since the end of the applicable Relevant Period) had been incurred, and the proceeds thereof applied, on the first day of the applicable Relevant Period. For the avoidance of doubt, the newly incurred Indebtedness will not be applied in the calculation of Net Debt, as cash or Cash Equivalent Investments.

For purposes of determining compliance with this Condition 9.1(a), the gross Indebtedness arising from the newly incurred Indebtedness will be applied (i) (in the case of additional

Required Capex Indebtedness) both to the calculation of Net Debt and the Termination Value and (ii) (in the case of any other additional Indebtedness) only to Net Debt.

- (b) Without prejudice to paragraph (a), the Issuer will not:
 - (i) permit any Subsidiary to have outstanding any Indebtedness except for Permitted Subsidiary Indebtedness; or
 - (ii) incur or allow to remain outstanding any Speculative Hedging Transaction.

9.2 Restricted Payments

The Issuer will not, and (as the case may be, in the case of paragraphs (b) and (c) below) will not cause or permit any of its Consolidated Subsidiaries to, directly or indirectly:

- (a) declare or pay any dividend or make any distribution on or in respect of shares of the Issuer's Capital Stock to holders of such Capital Stock;
- (b) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer;
- (c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Shareholder Loans;

(each of the foregoing actions set forth in paragraphs (a), (b) and (c) being referred to as a “**Restricted Payment**”), if at the time of such Restricted Payment and immediately after giving effect thereto:

- (i) a Lock-up Period is continuing; or
- (ii) the Restricted Payment is made by distributing any reserves of shareholders' equity; or
- (iii) a Default or an Event of Default shall have occurred and be continuing; or
- (iv) the Fixed Charge Coverage Ratio for the most recently ended Relevant Period was less than (A) 3.60:1.00 at any time prior to the Valdastico Nord Works Commencement and (B) 1.80:1.00 at any time thereafter; or
- (v) the Issuer and each Consolidated Subsidiary is not able to incur at least €1.00 of additional Indebtedness in compliance with Condition 9.1(a) (*Limitation on Indebtedness*); or
- (vi) the amount of such Restricted Payment in any fiscal year of the Issuer would be more than the lower of (A) the dividend distributions which are permitted to be made under the Concession Agreement in that fiscal year and (B) 75% of the Net Income earned in the relevant fiscal year.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not, other than during a Lock-up Period, prohibit:

- (A) the payment of any dividend declared at the shareholders meeting held on 27 February 2015 in respect of the financial year ended on 31 December 2014;
- (B) the payment of any dividend which would have been permitted on the date of the relevant declaration;
- (C) the redemption, repurchase, retirement, defeasance or other acquisition of any shares of Capital Stock or Subordinated Shareholder Loans of the Issuer, either (i) solely in exchange for shares of Capital Stock of the Issuer or (ii) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Consolidated Subsidiary of the Issuer) of shares of

Capital Stock of the Issuer or equity contributions to the Issuer or (iii) a combination of paragraphs (i) and (ii);

- (D) the declaration and/or payment of any dividend by a Consolidated Subsidiary of the Issuer to the holders of its Capital Stock on a *pro rata* basis;
- (E) repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such options or warrants; and
- (F) additional Restricted Payments not to exceed, between the Issue Date and 20 March 2020, an aggregate amount of €50 million, provided that such additional Restricted Payment is not prohibited by the Grantor

9.3 **No Default Certificate**

For so long as any Notes remain outstanding, the Issuer will deliver the No Default Certificate to the Trustee on each Reporting Date.

9.4 **Listing**

The Issuer shall, for so long as any Notes remain outstanding, use all reasonable endeavours to maintain a listing of the Notes on the regulated market of the Irish Stock Exchange or another regulated market on a stock exchange in the European Economic Area.

9.5 **Restricted Disposals**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, directly or indirectly, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset. This Condition 9.5 does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal.

9.6 **Restricted Mergers and Other Transactions**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, enter into any “ *fusione*” or “ *scissione*” (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy), or any other reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement (including any series of connected transactions) other than a Permitted Reorganisation or any sale, lease, transfer or other disposal permitted pursuant to Condition 9.5 (*Restricted Disposals*).

9.7 **Restricted Acquisitions**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, acquire a company or any shares or securities or a business or undertaking or any other assets (including concessions) (or, in each case, any interest in any of them) other than Permitted Acquisitions.

9.8 **Restricted Loans and Guarantees**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to:

- (a) be a creditor in respect of any Indebtedness; or
- (b) incur or allow to remain outstanding any guarantee in respect of any obligation of any Person, other than a Permitted Loan or a Permitted Guarantee.

9.9 **Restricted Capital Expenditure**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, incur any capital expenditure other than Required Capital Expenditure.

9.10 **Restricted Affiliate Transactions**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, enter into any Affiliate Transactions involving aggregate payments or consideration in excess of €2 (two) million (or its equivalent in other currencies) in any financial year of the Issuer, other than Permitted Affiliate Transactions, Permitted Loans or Permitted Guarantees.

9.11 **Restricted Investments**

The Issuer will not, and will not cause or permit any of its Consolidated Subsidiaries to, make any Investments other than Permitted Investments.

9.12 **Receipt of Termination Value Payment**

The Issuer will, and will cause its Subsidiaries to, (a) immediately deposit each Termination Value Payment into a bank account subject to Transaction Security and (b) ensure that the proceeds of such Termination Value Payment are utilised exclusively to redeem, *pro rata*, any Required Capex Indebtedness and the Notes pursuant to Condition 6.5 (*Redemption upon Termination Value Payment*) and the terms of any Intercreditor Arrangements.

9.13 **Consolidated and Unconsolidated Subsidiaries**

(a) If at any time:

- (i) any Person (A) becomes a Subsidiary pursuant to a Permitted Acquisition or (B) is incorporated by or on behalf of the Issuer; or
- (ii) an Unconsolidated Subsidiary of the Issuer benefits from any guarantees, shareholders loans or otherwise directly or indirectly receives credit support for any Indebtedness in an amount exceeding, in aggregate at any time for each Subsidiary, €2,000,000 (or its equivalent in other currencies) from the Issuer or any Consolidated Subsidiary other than to the extent of any Permitted Loans or Permitted Guarantees; or
- (iii) an Unconsolidated Subsidiary of the Issuer is party to any agreement, contract, arrangement or understanding with the Issuer or any Consolidated Subsidiary of the Issuer in an amount exceeding, in aggregate at any time for each Subsidiary, €5,000,000 (or its equivalent in other currencies); or
- (iv) an Unconsolidated Subsidiary of the Issuer is a Person with respect to which the Issuer or any Consolidated Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Capital Stock in an amount exceeding, in aggregate at any time for each Person, €2,000,000 (or its equivalent in other currencies) or (ii) to maintain or preserve such Person's financial condition (where that credit support obligation is in an amount exceeding, in aggregate at any time for each Person, €2,000,000 (or its equivalent in other currencies)) or to cause such Person to achieve any specified levels of operating results; or
- (v) the Issuer or any Consolidated Subsidiary subscribes for additional Capital Stock in an amount exceeding €2,000,000 (or its equivalent in other currencies), in an Unconsolidated Subsidiary,

such Unconsolidated Subsidiary shall immediately become a Consolidated Subsidiary and part of the Group. Each Consolidated Subsidiary's financial statements will be included in the Issuer's consolidated financial statements.

(b) The financial statements of the Issuer will be prepared:

- (i) on a consolidated basis to include any Consolidated Subsidiary as of each Determination Date after a Person becomes a Consolidated Subsidiary in accordance with paragraph (a) above; and

- (ii) (unless the context otherwise provides) in accordance with the Accounting Principles.

10. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs then the Trustee at its discretion may, and if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall, in each case, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes are, and shall accordingly forthwith become, immediately due and repayable at their principal amount, together with interest accrued to the date of repayment:

(a) **Non-payment**

if default is made in the payment of any amount of principal in respect of the Notes when due and such failure continues for a period of three (3) TARGET Settlement Days, or if default is made in the payment of any amount of interest in respect of the Notes when due and such failure continues for a period of ten (10) TARGET Settlement Days; or

(b) **Breach of other obligations**

if the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed or the Security Documents and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of sixty (60) days (or such longer period as the Trustee may in its absolute discretion permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) **Cross-acceleration**

(i) any Indebtedness of the Issuer or any Subsidiary is declared due and repayable or placed on demand prior to its stated maturity as a result of acceleration of maturity by reason of an event of default (howsoever described); (ii) any Indebtedness of the Issuer or any Subsidiary is not paid when due (after expiry of any originally applicable grace period) and such Indebtedness is declared due and repayable or placed on demand prior to its stated maturity; (iii) any step is taken to enforce a Security Interest given by the Issuer or any of its Consolidated Subsidiaries in respect of any Indebtedness or (iv) any guarantee and/or indemnity given by the Issuer in relation to any Indebtedness of any other Person is called upon by the relevant beneficiary and the relevant amount is not paid when due by the Issuer, provided that the aggregate amount of the relevant Indebtedness, Security Interest, guarantees and/or indemnities in respect of which one or more of the events mentioned in this paragraph (c) have occurred equals or exceeds €15,000,000 (or its equivalent in other currencies, calculated on the basis of the middle spot rate for the relevant currency against euro as quoted by any leading bank on the day on which this paragraph operates); or

(d) **Enforcement proceedings**

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a Substantial Part of the property, assets or revenues of the Issuer and is not discharged or stayed within 90 days; or

(e) **Security enforced**

any Security Interest created or assumed by the Issuer in respect of all or a Substantial Part of the property, assets or revenues of the Issuer 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) and such enforcement is not discharged or stayed within 90 days; or

(f) **Insolvency/Composition**

the Issuer is (or is deemed by applicable law or by a competent court to be) insolvent or bankrupt or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a Material Part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a Material Part of the debts of the Issuer; or

(g) **Insolvency Proceedings**

any corporate action or legal proceedings is taken in relation to:

- (i) the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer (other than a solvent liquidation); or
- (ii) a composition, assignment or arrangement with creditors of the Issuer including without limitation *concordato preventivo* and *concordato fallimentare*; or
- (iii) the bankruptcy, the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or all or a Substantial Part of the assets of the Issuer in connection with any insolvency proceedings, including without limitation *amministrazione straordinaria*, *amministrazione straordinaria delle grandi imprese in stato di insolvenza*, *liquidazione coatta amministrativa*; or
- (iv) any analogous procedure is taken in any jurisdiction in respect of the Issuer,

in each case, other than pursuant to a Permitted Reorganisation and provided that any such corporate action or legal proceedings which is not initiated, approved or consented to by the Issuer or the relevant Consolidated Subsidiary, as the case may be, is not discharged or stayed within 90 days; or

(h) **Winding-up/Cessation of business**

an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or a Substantial Part of its business or operations, in each case save for the purposes of, or pursuant to, a Permitted Reorganisation; or

(i) **Unsatisfied judgment**

one or more judgment(s) or order(s) (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) for the payment of any amount in excess of €15,000,000 (or its equivalent in other currencies, as reasonably determined by the Trustee on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates), whether individually or in aggregate, is rendered against the Issuer, becomes enforceable in a jurisdiction where the Issuer is incorporated and continue(s) unsatisfied and unstayed for a period of 90 days after the date(s) thereof or, if later, the date therein specified for payment; or

(j) **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

(k) **Unlawfulness**

if 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 any Security Document or any such obligations cease or will cease to be legal, valid, binding and enforceable; or

(l) **Litigation**

any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against the Issuer or any of its Subsidiaries or its or their assets which have or are reasonably likely to have a Material Adverse Effect; or

(m) **Concession Event**

a Concession Event has occurred.

11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent or the Paying Agent in Luxembourg, subject to all applicable laws, listing authority requirements and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer and/or the Paying Agents may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. NOTICES

12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, on the website of the Irish Stock Exchange (www.ise.ie) or in one daily newspaper published in Ireland. It is expected that publication will normally be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

12.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with the standard rules and procedures.

13. TRUSTEE

13.1 Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded to its satisfaction prior to taking any step or action and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. 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.

13.2 In connection with the exercise by the Trustee of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected

with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Noteholders

Subject to the enactment of any Italian law provision that may apply to the meetings of noteholders, the Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer, or by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; provided, however, that certain proposals (including any proposal (i) to change any date fixed for payment of principal or interest in respect of the Notes, (ii) to reduce or cancel the amount of principal or interest or other amounts payable on any date in respect of the Notes or to reduce the rate of interest on the Notes, (iii) to change the currency of payment under the Notes, (iv) to amend this proviso or (v) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present at the meeting(s) or not.

(b) Written resolution

A resolution in writing will take effect as if it were an Extraordinary Resolution if it is signed (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed or (ii) and if such Noteholders have been given at least 21 days’ notice of such resolution, by or on behalf of persons holding three-quarters of the aggregate principal amount of the outstanding Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(c) Modification without Noteholders’ consent

The Trustee may agree, without the consent of the Noteholders, (a) to any modification of these Conditions 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 Noteholders and (b) to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest or proven error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (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 Noteholders will not be materially prejudiced thereby. Any such authorisation, waiver or modification shall be binding on the Noteholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable thereafter.

15. NOTEHOLDERS' REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By accepting a Note, Noteholders (A) shall be deemed to have represented and warranted to the Issuer that they are Qualified Holders and acknowledged that the Issuer is not and will not be, at any time, in a position to monitor the identity and qualification of any purchaser of, or holder of, the Notes as well as the compliance with Italian laws and regulations applicable to the entities that may purchase or hold the Notes and (B) (i) shall be deemed to have agreed to, and accepted, the appointment of the Security Agent as *rappresentante* of the Noteholders for the purposes of Article 2414-*bis*, paragraph 3, of the Italian Civil Code and (ii) shall be deemed to have agreed and acknowledged that the Security Agent will administer the Transaction Security in accordance with the Trust Deed and any Intercreditor Arrangements.

16. ENFORCEMENT

16.1 Enforcement by the Trustee

The Trustee may, at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, subject to the provisions of any Intercreditor Arrangements, but it shall not be bound to do so or to take any other step or action under or pursuant to the Trust Deed unless:

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

16.2 Enforcement by the Noteholders

No Noteholder 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.

17. FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the Issue Date and the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding 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.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with English law.

18.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly has submitted to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

The Trustee, the Noteholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed, the Notes or the Coupons respectively (together referred

to as “**Proceedings**”) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 **Appointment of Process Agent**

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Norose Notices Limited, whose registered office is at 3 More London Riverside, London, SE1 2AQ, United Kingdom, as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing to so act, it will appoint another person as the Trustee may approve as its agent for that purpose.

18.4 **Other Documents**

The Issuer has, in the Agency Agreement, submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

19. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note or the Trust Deed, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

There will appear at the foot of the Conditions endorsed on each Note in definitive form, the names and Specified Offices of the Trustee and the Paying Agents as set out at the end of this Prospectus.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Temporary Global Note and the Permanent Global Note (each, a “**Global Note**”) contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. Beneficial interests in the Permanent Global Note will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream, Luxembourg. The Global Notes will be issued in NGN form. 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 following is a summary of certain of those provisions:

Exchange for Permanent Global Note and Definitive Notes

- (a) The Temporary Global Note will be exchangeable, in whole or in part, for the Permanent Global Note not earlier than forty (40) days after the Issue Date upon certification as to non-U.S. beneficial ownership.
- (b) The Permanent Global Note is exchangeable in whole, but not in part, for definitive bearer Notes in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, only if (i) it is held on behalf of Euroclear or Clearstream, Luxembourg, and any such Clearing System is closed for business for a continuous period of fourteen (14) days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or (ii) an Event of Default (as defined in Condition 10 (*Events of Default*)) occurs.

If principal in respect of any Notes is not paid when due and payable, the holder of the Permanent Global Note may, by notice to the Paying Agent, require the exchange of a specified principal amount of the Permanent Global Note (which may be equal to or (provided that, if the Permanent Global Note is held by or on behalf of a Clearing System, that Clearing System agrees) less than the outstanding principal amount of Notes represented thereby) for definitive Notes on or after the exchange date specified in such notice.

On or after any exchange into definitive Notes the holder of the Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Paying Agent. In exchange for the Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes in bearer form (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange in full of the Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant definitive Notes.

Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused, provided that, in the case of an improper withholding of, or refusal to exchange, an interest in the Permanent Global Note, a certificate of non-U.S. beneficial ownership has been properly provided.

Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment fails to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of any Paying Agent as shall have been notified to the Noteholders for such purpose, and may be made, at the direction of the holder of the Permanent Global Note, to the relevant Clearing Systems for credit to the account or accounts of the accountholder or accountholders appearing in the records of the relevant Clearing System as having Notes credited to them.

The Issuer shall procure that a record of each payment made in respect of the Permanent Global Note shall be made by the relevant Clearing Systems.

Payments on Business Days

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note, “**business day**” means any day on which the TARGET System is open.

Notices

Notices shall be given as provided in Condition 12 (*Notices*), save that so long as the Notes are represented by the Temporary Global Note or Permanent Global Note and the Temporary Global Note or Permanent Global Note is held on behalf of a Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the relevant Clearing System for communication to the relevant Accountholders (as defined below) rather than by publication as required by Condition 12 (*Notices*), *provided, however, that* so long as the Notes are admitted to trading on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, such notices will also be published in a leading newspaper having general circulation in the Republic of Ireland or be published on the website of the Irish Stock Exchange (*www.ise.ie*). Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to the relevant Clearing System.

Purchase and Cancellation

Cancellation of any Note to be cancelled following its purchase by the Issuer will be effected by a reduction in the principal amount of the relevant Global Note.

Prescription

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7 (*Taxation*)).

Put Option

The Noteholders’ option in Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*) may be exercised by the holder of the Permanent Global Note giving notice to the Agent in respect of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*).

Redemption for Taxation Reasons, Redemption at the Option of the Issuer and Redemption upon Termination Value Payment

The option of the Issuer provided for in Condition 6.2 (*Redemption for Taxation Reasons*), the option of the Issuer provided for in Condition 6.4 (*Redemption at the Option of the Issuer*) and the option of the Issuer provided for in Condition 6.5 (*Redemption upon Termination Value Payment*) shall be exercised by the Issuer giving notice to the Noteholders and the relevant central securities depositories (“**ICSDs**”) within the time limits set out in, and containing the information required by, the relevant Condition.

Authentication and Effectuation

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Paying Agent and effectuated by the entity appointed as Common Safekeeper by Euroclear and/or Clearstream, Luxembourg.

Accountholders

For so long as any of the Notes is represented by the Permanent Global Note or by the Permanent Global Note and Temporary Global Note and such Global Note(s) is/are held on behalf of the relevant Clearing Systems, each person (other than a relevant Clearing System) who is, for the time, being shown in the records of a relevant Clearing System as the holder of a particular principal amount of Notes (each an “**Accountholder**”)

(in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 6.3 (*Redemption at Option of the Holders upon a Change of Control*) and Condition 10 (*Events of Default*)) other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Permanent Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to the relevant Clearing Systems for its share of each payment made to the bearer of the Permanent Global Note.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are upon issue 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 (Eurosystem Eligible Collateral) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the ECB from time to time.

TAXATION

Taxation in Italy

The statements herein regarding taxation are based on the laws and the interpretation thereof in force in Italy as at the date of this Prospectus and are subject to any changes in law or the interpretation thereof occurring after such date, which could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 (“Decree 66”), as converted into law with amendments by Law No. 89 of 23 June 2014 (“Law 89”) introduced tax provisions amending certain aspects of the tax treatment of the Notes, as summarised below. The new rules are effective as of 1 July 2014.

Tax treatment of the Notes

Under Article 1 of Law Decree No. 83 of 22 June 2012, interest from notes falling within the category of project bonds (*obbligazioni di progetto*) issued by Italian resident companies referred to by Article 157 of Legislative Decree No. 163 of 12 April 2006 and subject to the conditions set forth by the same Article 157 is subject to the same tax regime provided for bonds issued by the Republic of Italy (*titoli del debito pubblico*).

Accordingly, as clarified by Italian Revenue Agency (*Agenzia delle Entrate*) with Circular No. 4/E of 6 March 2013 and No. 19/E of 27 June 2014, the said notes fall within the scope of Legislative Decree No. 239 of 1 April 1996 (“Decree 239”), as subsequently amended, which therefore provides for the applicable regime with respect to the tax treatment of interest, premium and similar income (including the difference between the redemption amount and the issue price) (“Interest”) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli simili alle obbligazioni*) issued, *inter alia*, by Italian resident companies referred to by Art. 157 of Legislative Decree No. 163 of 12 April 2006 and falling within the scope of the same Article 157. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation in (or of control of) management of the issuer. However, as clarified by the Italian Revenue Agency, the application of the tax regime provided for bonds issued by the Republic of Italy (*titoli del debito pubblico*) is only limited to Interest from the said notes and is not extended to other capital income (*redditi di capitale*) deriving from the notes, such as income deriving from repurchase agreements (*riporti* or *pronti contro termine*) or to capital gains deriving from the sale or redemption of the notes.

Italian resident holders

Where the Italian resident holder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see “Capital Gains Tax” below, in which case Interest relating to the Notes would be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, for 48.08 per cent. of its amount), (ii) a noncommercial partnership, (iii) a noncommercial private or public institution or (iv) an investor exempt from Italian corporate income taxation, Interest, accrued during the relevant holding period, is subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent., this being the rate applicable to interest from bonds issued by the Republic of Italy. In the event that the holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident holder of the Notes is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant holder’s income tax return and are therefore subject to general Italian

Corporate taxation (“**IRES**”, levied at the rate of 27.5 per cent.) (and, in certain circumstances, depending on the “status” of the holder, also to IRAP – the regional tax on productive activities, generally levied at the rate of 3.9 per cent., even though regional surcharges may apply).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410/2001, as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994, are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

If the investor is resident in Italy and is a fund or a SICAV (an Italian investment company with variable capital) established in Italy and either the fund or SICAV or their manager is subject to the supervision of a regulatory authority (the “**Fund**”) and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. (the “**Collective Investment Fund Tax**”) will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders, although a reduction of the tax basis of the Collective Investment Fund Tax is envisaged in relation to the portion of the Fund which is invested in public bonds and similar bonds, such as the Notes. The same tax regime applies to payments of Interest made to an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Where an Italian resident holder of a Note is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period for 62.50 per cent. of their amount (as clarified by the Italian tax authorities with Circular No. 2/E of 13 February 2015), to be subject to a 20 per cent. substitute tax, as increased by Law No. 190 of 23 December 2014.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an “**Intermediary**”).

In order to be entitled to apply the *imposta sostitutiva*, an Intermediary must

- (a) be resident in Italy; or
- (b) be resident outside Italy, with a permanent establishment in Italy; or
- (c) be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and
- (d) intervene, in any way, in the collection of interest or in the transfer of the Notes.

For the purpose of the application of the *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 or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a holder of a Note. If Interest on the Notes is not collected through an Intermediary or any entity paying Interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) (inclusive) will be required to include Interest in their yearly income tax return and subject it to a final substitute tax at a rate of 12.5 per cent. The Italian individual Investor may elect instead to pay ordinary personal income tax (“**IRPEF**”) at the applicable progressive rates

in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

Non-Italian resident holders

Based on one interpretation of Art. 1 of Law Decree No. 83 of 22 June 2012 and Decree No. 239 and in the absence of a specific guideline by the Italian tax authorities, no Italian *imposta sostitutiva* should be levied or applied in connection with any payment of principal or Interest in respect of the Notes to non-Italian resident Noteholders having no permanent establishment in Italy to which the Notes are connected, provided that, if the Notes are held with an Intermediary in Italy, the non-Italian resident Investor declares itself to the same Intermediary to be a non-Italian resident according to Italian tax regulations, if requested.

However, there can be no assurance that the Italian tax authorities or the Italian courts may support a different interpretation of Italian fiscal law according to which such payments of Interest in respect of the Notes held by certain non-Italian resident noteholders may be subject to Italian *imposta sostitutiva*. ICSDs, acting as withholding tax agent, cannot be held responsible in case of different interpretation of the Italian Tax Authorities.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the holder, also as part of the net value of production for IRAP purposes) if realised by (i) an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected); (ii) an Italian resident commercial partnership; (iii) the Italian permanent establishment of foreign entities to which the Securities are effectively connected; or (iv) Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident holder of the Notes is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of the Notes from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, holders of the Notes may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

- a) Under the “tax declaration” regime (*regime della dichiarazione*), which is the ordinary regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individuals pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014, for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; and (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.
- b) As an alternative to the tax declaration regime, Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree 21 November 1997, No. 461 as a subsequently amended, the “**Decree No. 461**”). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of the Notes. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in

respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of the Notes is not required to declare the capital gains in its annual tax return. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014, for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; and (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

- c) Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of the Notes is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree No. 66, depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014, for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; and (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by a holder of the Notes which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax. The same tax regime applies to capital gains realized by an Investor which is an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by a holder of the Notes which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as amended) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax, as increased by Law No. 190 of 23 December 2014.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, as subsequently amended, apply, will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund. The same tax regime applies to capital gains realized by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The countries which allow for a satisfactory exchange of information are listed in the Ministerial Decree dated 4 September 1996, as amended from time to time.

Please note that, according to Budget Law 2008, a Decree still to be issued should introduce a new “white list” replacing the current “black list” system, so as to identify those countries which (i) allow for a satisfactory exchange of information; and (ii) do not have a more favourable tax regime.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of the Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into law by Law No. 286/2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000;
- transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift; and
- any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above on the value exceeding, for each beneficiary, €1,500,000.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Securities for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (“**Decree 201**”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. As of 1 January 2014, the stamp duty applies at a rate of 0.2 per cent. and, for taxpayers different from individuals, cannot exceed €14,000. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on Notes deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding Notes outside the Italian territory are required to pay wealth tax (IVAFE) at a rate of 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Implementation in Italy of the Directive

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree 84**”). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Italian financial transactions tax (Italian FTT)

Pursuant to Law No. 228 of 24 December 2012, Italian FTT applies to (a) transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the said shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the Relevant Securities), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transaction on certain securities (i) which allow to mainly purchase or sell one or more Relevant Securities or (ii) implying a cash payment determined with main reference to one or more Relevant Securities.

Securities could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), such as the Notes, are not included in the scope of the FTT.

The proposed European financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument, which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

Italian tax monitoring obligations

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227/1990, for tax monitoring purposes, the amount of securities, including notes, held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, securities are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required with respect to securities deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, provided that the same intermediaries apply a withholding tax or *imposta sostitutiva* on any income derived from the securities.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, in a subscription agreement dated 19 March 2015 (the “**Subscription Agreement**”) and made between the Issuer and the Joint Lead Managers, upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe and pay for the Notes at their issue price of 100 per cent. of their principal amount less a commission. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

General

No action has been or will be taken in any jurisdiction by the Issuer or any Joint Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

Each Joint Lead Manager has represented, warranted and agreed that it will, to the best of its knowledge and belief, comply with all the relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material.

United States of America

The Notes have not been and will not be registered under the Securities Act or any state securities laws in the United States. The Notes are being offered only outside the United States by the Joint Lead Managers to certain investors in offshore transactions in reliance on Regulation S, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “**U.S. persons**”, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

Each Joint Lead Manager has represented and warranted that it has not offered and sold the Notes, and that it will not offer and sell the Notes, (a) as part of its own distribution at any time, or (b) otherwise until forty (40) days after the later of the commencement of the offering and the Issue Date, except in accordance with Rule 903 of Regulation S. Accordingly, neither the Joint Lead Managers, any of its Affiliates (as defined in Rule 405 of the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and the Joint Lead Managers has represented and agreed that they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager has agreed that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered and sold within the United States or to, or for the account or benefit of, “**U.S. persons**” (i) as part of their distribution at any time or, otherwise, (ii) until forty (40) days after the later of the commencement of the offering and the Issue Date, except pursuant to an exemption from, or in a transaction not subject to, the regulation requirements of the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in the above paragraph have the meanings given to them by Regulation S.

Each Joint Lead Manager has represented, warranted and agreed with the Issuer that:

- (a) except to the extent permitted under U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or substantially identical successor regulation) (the “**D Rules**”):
 - (i) it has not offered or sold, and during the forty (40) day restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
 - (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any definitive Notes in bearer form that are sold during the restricted period;
- (b) it has, and throughout the restricted period will have, in effect, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, (i) it is acquiring the Notes in bearer form for the purposes of resale in connection with their original issue and (ii) if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(6) (or substantially identical successor regulation); and
- (d) with respect to each Affiliate (as defined in Rule 405 of the Securities Act) of any Joint Lead Manager that acquires Notes in bearer form from such Joint Lead Manager for the purpose of offering or selling such Notes during the restricted period, such Joint Lead Manager undertakes to the Issuer that it will either (i) repeat and confirm the representations and agreements contained in sub-paragraphs (a), (b) and (c) above on its behalf, or (ii) obtain from such affiliate for the benefit of the Issuer the representations and undertakings contained in sub-paragraphs (a), (b) and (c) above.

Terms used in the above paragraph have the meaning given to them by the Code and regulations thereunder, including the D Rules.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each Joint Lead Manager has acknowledged that the Notes will be represented upon issuance by the Temporary Global Note which is not exchangeable for Permanent Global Notes or definitive Notes until the expiration of the 40-day distribution compliance period and, for persons other than distributors, until certification of beneficial ownership of the Notes by a non-U.S. person or a U.S. person who purchased securities in a transaction that did not require registration under the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

The Republic of Italy

The offering of the Notes has not been cleared by CONSOB pursuant to Italian securities legislation. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Act**”), as implemented by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (“**CONSOB Regulation No. 16190**”), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**CONSOB Regulation No. 11971**”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing of CONSOB Regulations including CONSOB Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restriction under (i) and (ii) above and:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, CONSOB Regulation No. 16190, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and any other applicable laws or regulation;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA and the regulations adopted thereunder with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

1. Listing and Admission to Trading

Application has been made for the Notes 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. Admission is expected to take effect on or about the Issue Date.

2. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of their obligations under the Notes. The creation and issue of the Notes has been authorised by a resolution of the Chief Executive Officer of the Issuer dated 12 March 2015, as empowered pursuant to a resolution of the Board of Directors of the Issuer dated 27 February 2015.

3. Expenses Related to Admission to Trading

The total expenses related to admission to trading are estimated at €5,041.2 including all fees payable to maturity.

4. Legal and Arbitration Proceedings

Save as disclosed in “*Description of the Issuer—Legal Proceedings*”, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

5. Auditors

The financial statements of the Issuer as at and for the years ended 31 December 2013 and 31 December 2014 have been prepared in accordance with Italian GAAP and have been audited without qualification by KPMG S.p.A., as stated in their reports incorporated by reference herein. KPMG S.p.A. is registered under No. 70623 in the Single Register of Legal Auditors at the Ministry of the Economy and Finance (*Registro Unico dei Revisori Legali presso il Ministero dell’Economia e delle Finanze*), State General Accounting (*Ragioneria Generale dello Stato*).

6. Significant Material Change

Since 31 December 2014 there has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer.

7. Documents on Display

For so long as any of the Notes are outstanding, copies of the following documents may be inspected in electronic format during normal business hours at the specified office of each Paying Agent:

- (a) the deed of incorporation and the by-laws of the Issuer;
- (b) the Trust Deed;
- (c) the Agency Agreement;
- (d) the most recently published audited annual financial statements of the Issuer.

A copy of this Prospectus and any document incorporated by reference in this Prospectus will also be electronically available for viewing on the website of the Irish Stock Exchange (www.ise.ie).

8. Legend for any U.S. Person

The Notes and any Coupons 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”.

9. ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Notes is XS1205716720 and the Common Code is 120571672. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

10. Yield

Based on issue price of 100 per cent. of the principal amount of the Notes, the yield on the Notes is 2.375 per cent. on an annual basis. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

11. Potential Conflicts of Interest

In the ordinary course of business, the Joint Lead Managers, the Paying Agents and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates and with companies involved directly or indirectly in the sectors in which the Issuer and its affiliates operate. In addition, in the ordinary course of their business activities, the Joint Lead Managers 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 its affiliates or any entity related to the Notes. The Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistently with their customary risk management policies. Typically, such Joint Lead Managers 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. The Joint Lead Managers 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 purpose of this paragraph, the word “affiliates” also includes parent companies.

In particular, Banca IMI, acting as one of the Joint Lead Managers in the offering of the Notes, is in a situation of conflict of interest as:

- A4 Holding S.p.A., which owns 100% of the share capital of the Issuer, is a company subject to significant influence by Intesa Sanpaolo S.p.A., the parent company of Banca IMI S.p.A.;
- Intesa Sanpaolo S.p.A., the parent company of Banca IMI S.p.A., appoints one or more members of the management bodies of the Issuer, A4 Holding S.p.A. and one or more of its affiliates;
- Intesa Sanpaolo S.p.A., also through its subsidiaries, is party to the shareholders’ agreements stipulated between some of the shareholders of A4 Holding S.p.A.;
- Intesa Sanpaolo S.p.A., also through its subsidiaries, is party to the shareholders’ agreements stipulated between some of the shareholders of Re. Consult Infrastrutture S.p.A. which owns 44.85 per cent. of A4 Holding S.p.A.’s capital stock;
- Intesa Sanpaolo S.p.A., also through its subsidiaries, has provided significant financing to the Issuer and A4 Group, and is one of their main financial lenders;
- The net proceeds of the issue of the Notes will be used by the Issuer to (i) refinance existing indebtedness of the Issuer, (ii) repay certain unpaid construction liabilities of the Issuer,

(iii) fund certain capital expenditures of the Issuer and (iv) pay transaction fees and expenses (as further described in “*Use of Proceeds*”); and

- Banca IMI S.p.A. will receive commissions for its roles in the Offering (as further described in “*Subscription and Sale*”).

Banca IMI and its affiliates have adopted written guidelines entitled “*Modello di organizzazione, gestione e controllo ai sensi del Decreto Legislativo 8 giugno 2001, n. 231*” (available at the website of the ISP group, webpage <http://www.bancaimi.com/bancaimi/chi-siamo/mifid.html>) setting forth practices and procedures, including those known as chinese walls, to restrict the flow of information, namely inside and/or confidential information, and to address such conflicts if any, in accordance with applicable regulations by the competent Italian authorities and best international practice.

12. Post-Issuance Information

The Issuer will not provide any post-issuance information, unless required to do so by any applicable laws and regulations.

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REGISTERED OFFICE OF THE ISSUER

Autostrada Brescia Verona Vicenza Padova S.p.A.

Via Flavio Gioia 71
37135 Verona
Italy

PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg

Branch

33, Rue de Gasperich
Howald-Hesperange
L-2085 Luxembourg
Grand Duchy of Luxembourg

TRUSTEE

BNP Paribas Trust Corporation UK Limited

55 Moorgate
London EC2R 6PA
United Kingdom

GLOBAL COORDINATORS AND JOINT LEAD MANAGERS

Banca IMI S.p.A.

Largo Mattioli 3
20121 Milan
Italy

UniCredit Bank AG

Arabellastrasse 12
81925 Munich
Germany

JOINT LEAD MANAGER

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

LEGAL ADVISERS

To the Issuer as to English and Italian law:

Norton Rose Fulbright Studio Legale

Piazza San Babila 1
20122 Milan
Italy

*To the Joint Lead Managers as to
Italian and English law:*

White & Case (Europe) LLP

Piazza Diaz 1
20123 Milan
Italy

*To the Joint Lead Managers as to
Italian law:*

Grimaldi Studio Legale

Via Pinciana 25
00198 Rome
Italy

To the Trustee as to English law:

White & Case LLP

5 Old Broad Street
London EC2N 1DW
United Kingdom

AUDITORS TO THE ISSUER

KPMG S.p.A.

Via Leone Pancaldo 70
37138 Verona
Italy

LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

33, Rue de Gasperich
Howald-Hesperange
L-2085 Luxembourg
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