

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES AND WHO ARE NOT U.S. PERSONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the prospectus (the “**Prospectus**”) following this page. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH PROSPECTUS IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE OR ANY OTHER APPLICABLE RULES OR REGULATIONS MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

CONFIRMATION OF YOUR REPRESENTATION: In order to be able to view the Prospectus or make an investment decision with respect to the securities, investors must not be a U.S. Person. The Prospectus is being sent at your request and by accepting the email and accessing this Prospectus, you shall be deemed to have represented to: (i) BNP Paribas, Mediobanca – Banca di Credito Finanziario S.p.A. and Morgan Stanley & Co. International plc (together, the “**Joint Lead Managers**”); and (ii) Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A. (“**SEA**” or the “**Issuer**”) that: (1) you and any customers which you represent are not U.S. Persons, the email address that you have given us is not located in the United States of America, its territories, its possessions and other areas subject to its jurisdiction (and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); and (2) you consent to delivery of the Prospectus and any amendments or supplements thereto by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. If you receive this document by e-mail, you should not reply by email to this announcement. Any reply email communications, including those you generate by using the “Reply” function on your email software, will be ignored or rejected. If you receive this document by email, your use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to, permit a public offering of the securities, or possession or distribution of the Prospectus or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Prospectus has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under EC Directive 2003/71/EC (the “**Prospectus Directive**”), as amended by EU Directive 2010/73/EC, in member states of the European Economic Area (the “**EEA**”) which have implemented the Prospectus Directive (each a “**Relevant Member State**”), from the requirement to produce a prospectus for offers of the Notes. Any person making or intending to make any offer in a Relevant Member State or elsewhere of the Notes should only do so in circumstances in which no obligation arises for the Issuer or the Joint Lead Managers to produce a prospectus for such offer. Neither the Issuer nor the Joint Lead Managers have 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 the Prospectus.

This communication is directed only at persons who: (a) are outside the United Kingdom; (b) have professional experience in matters relating to investments; or (c) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as “**relevant persons**”). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

This communication cannot be directed to, or distributed in, the Republic of Italy, except: (a) 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 Regulation of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) No. 16190 of 29 October 2007, as amended, pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 1999, as amended (“**Regulation No. 11971**”); or (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing CONSOB regulations, including Regulation No. 11971.

In order to be eligible to view this email and/or access the Prospectus in France, you must be: (a) a person providing investment services relating to portfolio management for the account of third parties and/or (b) a “qualified investor” (*investisseur qualifié*) acting for its own account, as defined in, and in accordance with, Articles L. 441-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

The attached Prospectus has been sent to you in an electronic format. You are reminded that documents transmitted in an electronic format may be altered or changed during the process of transmission and consequently none of the Issuer, the Joint Lead Managers, or their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Issuer, the Joint Lead Managers or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard-copy version.

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Any comments or statements made herein do not necessarily reflect those of the Joint Lead Managers, their subsidiaries and affiliates.



Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A.

(incorporated as a società per azioni under the laws of the Republic of Italy)

€300,000,000 3.125 per cent. Notes due 17 April 2021

The issue price of the €300,000,000 3.125 per cent. Notes due 17 April 2021 (the “**Notes**”) of Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A. (the “**Issuer**” or “**SEA**”) 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 Closing Date (as defined below) at the rate of 3.125 per cent. per annum, payable in arrear on 17 April in each year, commencing on 17 April 2015, 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 – Taxation of Interest*”.

Unless previously redeemed, repurchased or cancelled, the Notes will be redeemed at one hundred per cent. (100%) of their principal amount on 17 April 2021. The Notes may be redeemed in whole, but not in part, at one hundred per cent. (100%) 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. In addition, the Notes may be redeemed in whole, but not in part, at the option of the Issuer at any time at an amount calculated on a “make-whole” basis. See “*Terms and Conditions of the Notes – Redemption and Purchase*”. Noteholders will be entitled, following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes (the “**Conditions**”)) to request the Issuer to redeem such Notes at one hundred per cent. (100%) of their principal amount together with any accrued and unpaid interest (if any), all as more fully described in “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of Noteholders upon the Occurrence of a Relevant Event*”.

The prospectus (the “**Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC, as amended (including by Directive 2010/73/EU, to the extent that such amendments have been implemented in a relevant member state of the European Economic Area) (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 2.

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 will be in bearer form and in the denomination 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 17 April 2014 (the “**Closing 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 forty (40) days after the Closing 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.

Joint Lead Managers

BNP PARIBAS

Mediobanca

Morgan Stanley

The date of this Prospectus is 16 April 2014.

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 (in the context of the issue of the Notes) 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 their 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 BNP Paribas, Mediobanca – Banca di Credito Finanziario S.p.A. and Morgan Stanley & Co. International plc (together, the “**Joint Lead Managers**”).

Neither the Issuer nor the Joint Lead Managers have 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.

None of the Joint Lead Managers, the Principal Paying Agent or 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 any of 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 advisor, accountant, tax advisor

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

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

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. The information in such sections concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy of such information. 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, Mediobanca – Banca di Credito Finanziario S.p.A. (the “Stabilising Manager”) (or any person acting for the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail 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 date 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 the sources indicated in the section “*Business Description of the Group*” below. To the extent that such source is not indicated, such data derives from the Issuer’s internal market data. Such information has been 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.

NON-IFRS FINANCIAL MEASURES

This Prospectus contains non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net Financial Position that are not required by, or presented in accordance with, IFRS. We present non-IFRS measures because the Issuer believes that they, and similar measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Issuer's operating results as reported under IFRS. Non-IFRS measures and ratios such as EBITDA, EBIT, Indebtedness and Net Financial Position are not measurements of our performance or liquidity under IFRS or any other generally accepted accounting principles. Other companies in the Group's industry may calculate these measures differently and, consequently, the Issuer's presentation may not be readily comparable to other companies' figures. In particular, you should not consider non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net Financial Position, as an alternative to (a) operating income or income for the period (as determined in accordance with IFRS) as a measure of the Group's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Group's ability to meet its cash needs or (c) any other measures of performance under generally accepted accounting principles. Non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net Financial Position, have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for an analysis of the Group's results as reported under IFRS.

Other Data

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands of Euro, certain operating data, percentages and rates, have been subject to rounding adjustments and, as a result, the totals of the data included in this Prospectus may vary slightly from the actual arithmetic totals of such information.

CERTAIN DEFINED TERMS

References to the “**Issuer**” are to Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A.; references to the “**Group**” are to the Issuer and its Subsidiaries taken as a whole; and “**Subsidiaries**” has the meaning given to it in “*Terms and Conditions of the Notes*”.

References to “**ENAC**” are to *Ente Nazionale Aviazione Civile*, the Italian regulatory authority for civil aviation; references to “**ENAV**” are to *ENAV S.p.A.—Società nazionale per l'assistenza al volo*, which is responsible for air traffic control in Italy.

References to the “**Joint Lead Managers**” are to BNP Paribas, Mediobanca – Banca di Credito Finanziario S.p.A. and Morgan Stanley & Co. International plc.

References to the “**Trust Deed**” are to the trust deed constituting the Notes dated on or about the Closing 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.

References to “**EBITDA**” are to *Earnings Before Interest, Taxation Depreciation, and Amortisation* and include operating revenues, revenues for works on assets under concession, net of personnel costs, consumable materials, other operating costs, provisions and write-downs and costs for works on

assets under concession. The criteria for determination of EBITDA applied by the Group might not be the same as that adopted by other groups and, therefore, the figures presented by the Group might not be comparable with that determined by such other Group. See “*Non-IFRS Financial Measures*”.

References to “**EBIT**” are to *Earnings Before Interest* and includes operating revenues, revenues for works on assets under concession, net of personnel costs, consumable materials, other operating costs, provisions & write-downs, costs for works on assets under concession, amortisation and depreciation and provision for restoration and replacement. The criteria for determination of EBIT applied by the Group might not be the same as that adopted by other groups and, therefore, the figures presented by the Group might not be comparable with that determined by such other groups. See “*Non-IFRS Financial Measures*”.

References to “**Net financial position**” are to net debt and includes payables and other current financial liabilities, payables and other non-current financial liabilities net of liquidity and financial receivables as described in section 6.15 of the 2013 Consolidated Financial Statements incorporated by reference in this Prospectus.

Except where indicated, references to “**IFRS**” in this Prospectus are to International Financial Reporting Standards as adopted by the European Union.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
RISK FACTORS	2
DOCUMENTS INCORPORATED BY REFERENCE.....	17
TERMS AND CONDITIONS OF THE NOTES	18
SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM.....	41
USE OF PROCEEDS	44
SELECTED CONSOLIDATED FINANCIAL INFORMATION RELATING TO THE GROUP	45
BUSINESS DESCRIPTION OF THE GROUP	49
RELATED PARTY AND OTHER TRANSACTIONS.....	86
REGULATORY FRAMEWORK.....	89
TAXATION.....	101
SUBSCRIPTION AND SALE	108
GENERAL INFORMATION	111

FORWARD-LOOKING STATEMENTS

This Prospectus contains 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 their 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.

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 which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

An investment in the Notes involves risks. 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 it 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 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 in this section. References to a “Condition” are to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the whole Prospectus, including the information incorporated by reference.

FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks Relating to the Business of the Group

Risks relating to the Regulatory Framework

The 2001 Agreement, which sets forth the regulatory framework for the operation of the Milan Airports by the Group, may be terminated or may not be renewed

The Group is dependent on the exclusive regulatory agreement (*convenzione*) (the “**2001 Agreement**”) signed on 4 September 2001 between ENAC and SEA to manage and operate Milan Linate Airport and Milan Malpensa Airport (together the “**Milan Airports**”). As at 31 December 2013, almost all of the Group’s revenues were derived from fees and other charges related to the operation of the Milan Airports. The 2001 Agreement replaced the agreement No. 191/1962 and confirmed the status of the Milan Airports as privately operated airports. The 2001 Agreement will expire on 4 May 2041.

The 2001 Agreement governs the relationship between SEA and ENAC relating to the management and development of airport activities at the Milan Airports, regulates the planning, construction, upgrading, maintenance and use of the airport infrastructure and other facilities that are instrumental to the operation of such airports, and recognises the legal status of the Milan Airports and the Issuer’s operations as privately owned and operated pursuant to an authorisation. See “*Regulatory Framework – The 2001 Agreement for the Operation and Development of Milan Malpensa Airport and Milan Linate Airport*” for information on the 2001 Agreement.

ENAC may unilaterally withdraw from the 2001 Agreement in the event of serious and repeated violations by the Issuer of applicable safety regulations, serious and unjustified delay in the implementation of its investment plan or the Issuer no longer being able to operate the Milan Airports.

In addition, pursuant to article 14 of the 2001 Agreement, ENAC may terminate the 2001 Agreement in the event of a delay of more than twelve months in the payment by the Group of the consideration it owes for the use of state property or in the event of bankruptcy.

In such cases, the Issuer is not entitled to any reimbursement for the work performed on infrastructure and facilities and the expenses incurred, but it would be entitled to retain ownership of equipment, interior decorations and furniture.

ENAC may also unilaterally terminate the 2001 Agreement for military or other justified public interest reasons and regain possession at any time of the state property occupied or used by the airports by paying a compensation amount for the infrastructure and facilities constructed with the Issuer's own financial resources. Such compensation amount would be determined in accordance with the criteria set forth in the Italian Code of Navigation. In particular, the applicable compensation amount is equal to the reimbursement of such portion of the costs incurred by the Issuer for the construction of such infrastructure and facilities corresponding to the number of years remaining until the expiration date of the 2001 Agreement at the time of termination, provided, however, that such compensation may not be greater than the difference between the aggregate value of the relevant infrastructure and facilities at the time of termination and the amount of amortisation and depreciation recognised for these assets.

The expiration or termination of, or ENAC's withdrawal from, the 2001 Agreement would have a material effect on the Group's business, results of operations, financial condition and prospects.

Failure to agree on, and apply adequate tariff increases under, the ENAC-SEA Program Agreement may result in regulated fees for the second five-year regulatory period being less favourable to the Group

A program agreement (*contratto di programma*) is a multi-year agreement between ENAC, the regulatory authority for the Italian civil aviation sector, and each Italian airport operator. The program agreement sets forth (i) the regulated airport fee schedule to be applied by such airport operator; (ii) the investment plan for each relevant airport to be followed by such airport operator; and (iii) the environmental quality and protection targets to be met by such airport operator.

On 23 September 2011, SEA and ENAC entered into a program agreement relating to the Milan Airports (the "**ENAC-SEA Program Agreement**"), which in accordance with applicable Italian law provides for some exceptions to the ordinary regime for the regulated business of airport operators. In particular, the main exceptions set forth in the ENAC-SEA Program Agreement, valid until the expiration of the 2001 Agreement, consist of: (i) the implementation of a "dual till" fee regime, which contemplates the separation of aviation services, whose revenues are generated from a regulated fee system, and non-aviation services, whose revenues are not generated from regulated fees but from fees determined by the airport operator under a free competition regime; and (ii) a regulatory period of 10 years (the first one expiring on 31 December 2020) divided into two five-year sub-periods, each of which is identified as a different "regulatory sub-period".

The ENAC-SEA Program Agreement entered into force on 23 September 2012. Accordingly, although the first five-year regulatory sub-period started on 1 January 2011, the Issuer has applied the regulated fee regime set out in the ENAC-SEA Program Agreement, which reflects the capital expenditures SEA has made since 2009, only starting from 23 September 2012. See "*Business Description of the Group – History and Key Developments – The ENAC-SEA Program Agreement*" and "*Regulatory Framework – The ENAC-SEA Program Agreement*" for information on the ENAC-SEA Program Agreement and "*Regulatory Framework – The ENAC-SEA Program Agreement – Overview*" for information on the "dual till" fee regime.

In order to determine regulated fees for the second regulatory sub-period from 1 January 2016 to 31 December 2020, SEA must submit the necessary documentation to ENAC on the basis of the Group's financial statements relating to the fiscal year ending 31 December 2014. As a result of this reassessment and renegotiation of the fee parameters for the second regulatory sub-period, the

regulated fees approved by ENAC, at the end of a process of consultation with airlines and airport operators, for such second regulatory sub period may be less advantageous for the Issuer than those applicable during the first regulatory sub period.

Such an outcome might have a material adverse effect on the Group's results of operations, financial condition and prospects.

A negative outcome of certain legal proceedings challenging the approval process and the terms and validity of the ENAC-SEA Program Agreement may result in less favourable terms for SEA

The ENAC-SEA Program Agreement is subject to a number of legal proceedings consisting of claims brought by third parties challenging the approval process and its validity and terms.

To date, there are several pending proceedings before the Regional Administrative Court of Lombardy (*Tribunale Amministrativo Regionale della Lombardia*) and the Regional Administrative Court of Lazio (*Tribunale Amministrativo Regionale del Lazio*). The outcome of these proceedings, and any similar future proceedings, cannot be predicted with certainty. Unfavourable resolution of such proceedings, in whole or in part, could have a material adverse effect on the tariff mechanism described in more detail under "*Regulatory Framework – The ENAC-SEA Program Agreement – Tariff Rates/Formula*" and, accordingly, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risks relating to the Group's Operations

Risks relating to the decision of the European Commission concerning alleged State aid in favour of SEA Handling

In its decision dated 19 December 2012, the European Commission (the "**Commission**") ordered SEA Handling S.p.A. ("**SEA Handling**") to repay to the Issuer the amount of €360 million, plus interest, by 6 May 2013, on the grounds that the capital increases carried out by the Issuer in favour of its subsidiary SEA Handling between 2002-2010 were deemed to be unlawful State aid.

SEA Handling and the Italian authorities then appealed to the European Court of Justice (the "**ECJ**"), while simultaneously negotiating an alternative settlement proposal, regarding, *inter alia*: (i) termination of the supply and handling services agreements between SEA Handling and the Milan Airports' air carriers, while allowing continuity of services; (ii) sale of all of SEA Handling's assets through a public tender; (iii) termination of SEA Handling's employment agreements; (iv) liquidation of SEA Handling; and (v) the Issuer's commitment to support SEA Handling during its liquidation (the "**Settlement Proposal**").

For more detailed information regarding this litigation please see "*Business Description of the Issuer – Legal, administrative and other proceedings*" and the audited consolidated annual financial statements of the Group for the year ended 31 December 2013 which are incorporated by reference in this Prospectus (see "*Documents incorporated by reference*").

Pursuant to the Settlement Proposal, the Issuer would continue to operate in the handling market through Airport Handling S.r.l., its new subsidiary, incorporated in September 2013 ("**Airport Handling**") which, as of the date of this Prospectus, is not yet operational. Airport Handling would operate in "economic discontinuity" with SEA Handling by, *inter alia*: (i) renegotiating employment agreements with SEA Handling's current employees; and (ii) negotiating new supply and handling service agreements with both suppliers and air carriers. However, the implementation of the Settlement Proposal would result in significant restructuring costs for the Group, uncertainty in the continuity of the Group's handling activities and a material reduction of revenues from the handling business. It may also lead to strikes or other forms of work stoppage on the part of the personnel currently employed by SEA Handling. See "*- Labour stoppages and interruptions in the provision of third party services may disrupt the Group's business operations*" below.

As of the date of this Prospectus, the Issuer cannot exclude the possibility that the Commission would determine that, despite the liquidation of SEA Handling, the commencement of operations by Airport Handling would not result in sufficient economic discontinuity and that therefore it would fail to constitute an alternative solution to meet the requirements of the Commission's decision, nor it is possible to predict the outcome of the claims brought before the ECJ. If such claims result in a negative outcome and the Commission considers the discontinuity in the handling activities insufficient to constitute an alternative method of implementing its decision, this could have a significant negative impact on the handling activities of the Group.

The Commission may also seek to impose additional conditions on the conduct of the Group's handling activities or may decide not to agree to the Settlement Proposal, and the ECJ may not return a favourable ruling for the Group.

Any of these outcomes could result in a disruption in the Group's handling activities and a material reduction of the Group's revenues from its handling activities which, together with the significant restructuring costs to be incurred by the Group, would result in a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may be unable to implement its business plans and strategy

The Group's ability to increase its revenue and improve its profitability depends, among other things, upon the success of the implementation of its own industrial and commercial strategies. See "*Business Description of the Group*".

These strategies are based, among other things, upon certain assumptions, including (i) the attractiveness and potential growth of the catchment area of the Milan Airports; (ii) the entering into agreements with important operators in that sector; and (iii) the maintenance of high levels of quality, as well as the competitiveness of the services offered and the improvement of the profitability of the Group's operations.

Failure to implement all or part of the Group's strategy in accordance with its plans and within its proposed timeframe may generate a lower return than expected, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Reduced air traffic volumes and corresponding decreases in revenues derived from fees and tariffs could adversely affect the Group's revenues and profitability

Under the 2001 Agreement, the Group derives its revenues, *inter alia*, from: (i) aviation services which consist of core airport services supporting passenger and cargo activities; (ii) non-aviation services which include a broad and diversified range of commercial services provided to passengers, carriers, meeters and greeters, other companies that operate at the Milan Airports and visitors of the Milan Airports, as well as real estate activities; and (iii) handling services. See "*Business Description of the Group*". The amount of these types of revenue depends primarily on air traffic volumes such that reduced air traffic would affect the Group's business.

Air traffic volumes at the Milan Airports decreased by 2.7% in the year ended 31 December 2013 compared to the same period in 2012, mainly due to worsening macro-economic conditions in Italy (see, *inter alia*, "*Business Description of the Group - The Milan Airports*" for information).

If air traffic volumes decrease, it could have a material adverse effect on the Group's results of operations, financial conditions and prospects.

Other factors beyond the Group's control may also affect traffic volumes. See "*-Risk Factors relating to the industry in which the Group operates*".

The Group derives a significant portion of its revenue from Alitalia and easyJet and the loss of either of these customers could result in a significant loss of revenue

The Group's business depends to a significant extent on the relationships with the principal carriers that operate at the Milan Airports, including in particular Alitalia and easyJet.

As of 31 December 2013, Alitalia and easyJet each represented 24.9% of total passenger traffic at the Milan Airports. Any reduction or termination of operations by either one or both of these carriers from the Milan Airports, or any reduction or termination of their flights between the Milan Airports and destinations with high volumes of passenger traffic could have a material adverse effect on the Group's results of operations, financial condition and prospects.

In the event that Alitalia or easyJet reduce or cease their respective operations at the Milan Airports, the Group would seek to redistribute the passenger and cargo services discontinued by these carriers among the other carriers that already operate at the Milan Airports or new carriers by building upon the combination of the ability of Milan Malpensa Airport to accommodate such replacement, the demand for additional slots at Milan Linate Airport by carriers that already operate at such airport or new carriers, which is in excess of the slots currently available, and the Issuer's ability to attract new carriers to the Milan Airports. However, any such decrease in or termination of operations by Alitalia or easyJet, or the Group's failure or protracted delay in redistributing to other carriers the passenger and cargo services operated by these carriers, might have a material adverse effect on the Group's results of operations, financial condition and prospects, or termination and the partial or complete replacement of such operations, as the Issuer may not be able to replace such operations in full, a timely manner or at all.

Alitalia has been in a particularly difficult financial situation for the past few years. It is currently engaged in discussions with Etihad, an airline headquartered in the United Arab Emirates. Such discussions or other developments in Alitalia's business could result in a redistribution, or eventually in a reduction of, air traffic at the Milan Airports. Any such redistribution or reduction might have a material adverse effect on the Group's revenues, particularly in case of redistribution in the non-aviation business, and might result in a material adverse effect on the Group's results of operations, financial condition and prospects.

The Group's ordinary business operations are subject to extensive laws and regulations that are subject to change and over which it has no control

The Issuer operates in a highly regulated environment. The Italian airport sector and the 2001 Agreement are governed by a series of Italian local, regional and national laws and regulations that must also comply with, and be subject to, EU law, which may be more restrictive. As a consequence of a change in law, the 2001 Agreement may be amended, revised or suspended. No assurance can be given as to the impact of any possible change to the laws and regulations and/or to the 2001 Agreement. In addition, the Group's activities are subject to a broad range of environmental, health, safety and planning laws and regulations enforced by regular governmental audits, the results of which may give rise to claims for damages and/or sanctions, resulting in potential damage to the Group's image and reputation.

The cost of complying with such laws and regulations could be onerous, and any failure to comply with such laws and regulations could result in the Group being subject to penalties for violations or incurring costs related to implementing mitigating measures. Furthermore, such laws and regulations are often subject to alternative interpretations and are susceptible to complex unpredictable developments over which the Issuer has no control. Compliance with future environmental, health, safety and planning laws and regulations may also be time consuming and interfere further with the Group's existing activities and operations. Moreover, SEA or the airlines that use the Milan Airports may be required to incur additional costs related to implementing such new laws and regulations.

In addition, the potential environmental impact of the development and upgrade of the Milan Airports' infrastructure and facilities (particularly with respect to the risks relating to the possible increase in emissions of carbon dioxide, noise and light) may require the Issuer to adopt specific plans of intervention for the general containment and reduction of emissions, which may cause increased costs in developing and upgrading SEA's airport infrastructure and facilities.

Compliance with, changes in, or violations of, such laws and regulations could have a material adverse effect on the Group's results of operations, financial conditions and prospects.

Malfunctioning or interruption of the public transportation services operating on the road and railway infrastructures connecting the Milan Airports could restrict passengers' access to the Milan Airports and have an adverse effect on the Group's results of operations

The Milan Airports depend on suitable infrastructure and public transportation. Any malfunctioning or occasional interruption (including as a result of strikes or other forms of absence from work) of the public transportation services operating on the road and railway networks, could make access to the Milan Airports more difficult and, as a result, have a material adverse effect on the Group's results of operations, financial condition and prospects.

Airport operation is a complex undertaking that is subject to a number of operational risks that could lead to service interruptions at the Milan Airports

The Issuer is exposed to a number of operational risks that could lead to service interruptions at the Milan Airports. These operational risks include, *inter alia*, airplane accidents, acts of terrorism, fires, flooding, bird strikes, power failures, technical issues, explosions, earthquakes, contagious disease outbreaks, volcanic ash clouds and other forms of inclement weather. Some of these risks could result in the deaths of passengers or employees and damage to, or destruction of, infrastructure, properties and the environment, any of which could cause significant service interruptions at the Milan Airports.

More specifically, in common with other airports, there is always the risk of an accident, act of terrorism, or outbreak of contagious disease (*e.g.*, avian flu, severe acute respiratory syndrome (SARS) or foot and mouth disease) occurring at or near the Milan Airports. If such event occurs at the Milan Airports, operations may be interrupted while such event is investigated and any ensuing damage is repaired. Such event could also affect travel behaviour by reducing passenger traffic to or through Milan Airports for a longer period. Furthermore, any governmental inquiry held to examine the causes and responses to such event might result in the Issuer being required to modify or even in extreme cases, temporarily cease its operations at the Milan Airports, incurring potentially significant costs. The imposition of additional government-mandated security and other preventative measures at the Milan Airports could also lead to additional limitations on airport capacity or retail space, resulting in overcrowding, increases in operating costs, delays in passenger movement through the Milan Airports and other forms of service interruptions.

In addition, air traffic volumes are highly dependent on weather conditions and inclement weather, such as blizzards, strong winds and flooding, may lead to service interruptions at the Milan Airports. The Issuer must also carry out regular and any necessary unplanned repairs and maintenance at the Milan Airports, that may involve temporary shut downs of, terminals, taxiways and runways that could also lead to an interruption of service at the Milan Airports.

The occurrence of any of the service interruption events described above could decrease air traffic volumes. Such decrease in air traffic volumes could result in a significant decline in revenue from the Milan Airports or a significant increase in expenditures for the operation, maintenance or repair of the Milan Airports. Either result could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The execution of new or amended bilateral agreements between the Italian State and other States may not occur or be delayed, resulting in restricted access of carriers to Milan Malpensa Airport

Over the years the Issuer has increased its focus on expanding routes and increasing frequencies from Milan Malpensa Airport in order to increase passenger and cargo traffic through the carriers already operating from such airport and by attracting new carriers, particularly on routes to and from countries that have experienced more significant economic growth. For these purposes, the Group also relies on the Italian State entering into new or amended bilateral agreements with other States, which govern access to the international air transport market. Accordingly, any failure or delay in entering into new bilateral agreements or renewing or amending existing bilateral agreements may limit the ability of carriers to access or increase their own presence at Milan Malpensa Airport, even if on a temporary basis or to a limited extent, and the Group's ability to efficiently pursue new commercial opportunities, which could have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Regulatory Framework - Regulations Regarding the Use of Routes within and outside the EU*".

The Group faces litigation risks arising from civil, tax and administrative proceedings that may have an adverse effect on its reputation, financial position or results of operations

In the ordinary course of business, companies within the Group are party to civil (including employment), tax and administrative proceedings, which may result in indemnity obligations and other liabilities. See "*Business Description of the Group – Legal, Administrative and Other Proceedings*". Provisions have been made for risks and charges in the Group's consolidated financial statements intended to cover, among other things, liabilities that may arise from litigation and other matters at dispute. The total amount of the provisions and the amounts of the annual provisions are determined by the Issuer on the basis of the assessment by its in-house and external legal counsels of whether the proceedings might have an unfavourable outcome for the Group. As of 31 December 2013, the Group set aside provisions in its Consolidated Financial Statements for approximately Euro 31.5 million to cover the risk of civil, tax, legal and administrative proceedings. However, some proceedings to which companies within the Group are a party and for which a remote or non-quantifiable unfavourable outcome can be expected are not included in the Group's provisions for litigation. Accordingly, the Group may be exposed to liability arising from litigation that is not covered by such provisions, including in the event of the possible occurrence of repeat disputes, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The commencement of judicial or arbitration proceedings against SEA or the other companies of the Group could also result in significant damage to the Group's image and reputation regardless of the merits of the actions being brought against companies within the Group. The occurrence of such events may be magnified compared to the actual adverse effects on its business due to the significant sensitivity of the *mass media* towards the airport sector and more generally the air transport industry, which could in turn have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Business Description of the Group – Legal, Administrative and Other Proceedings*".

The Group'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 its management. The loss of services of any of these key individuals could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The Group is exposed to risks associated with the failure by counterparties to perform their day-to-day operations at the Airports

The Group depends on the cooperation of a large number of third parties, including government agencies and business partners, to provide essential functions, such as air traffic control, cargo services, customs and border control, re-fuelling, rescue and fire-fighting services, utilities provision

and catering. The Group's business operations may be affected if these service providers do not adequately perform the services they are required to provide. In particular, a failure by these third parties to appropriately respond to passenger volumes, accidents, fire, technical defects, failures in IT or data processing, may cause flight delays, damage to facilities, and the cancellation of airport services. Furthermore, these risks may be compounded if any such third parties experience financial difficulties or insolvency. Any of these events or a combination of events could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The Group is subject to risks associated with its fixed costs that are incurred regardless of air traffic volumes

A significant portion of the costs incurred by the Group is fixed and not directly linked to the level of air traffic volumes. These fixed costs include operating expenses relating to employees, maintenance, cleaning and depreciation/amortisation that do not fluctuate significantly with air traffic volumes. As a result, the Group has limited flexibility in dealing with any unforeseen shortfall in revenues, related to periods of lower air traffic volumes, which therefore could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Technological developments in the air transport industry may adversely impact the Group's business

The ongoing technological developments in the air transport industry in recent years have contributed to the use of new aircraft models that require the availability of airport infrastructure that is adequate to accommodate such aircraft, in particular for the phases of take-off and landing and embarking and disembarking passengers, may in the future require further modernisation and expansion of the existing airport infrastructure that are not currently envisaged in the Group's plans.

In the event that the Issuer is required to make such investments in the infrastructure and facilities as well as the operations of the Milan Airports, the allocation of the necessary funds for these purposes could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Alternative means of transportation may adversely impact the Group's business

The growth in air traffic volumes depends on, among other things, the development of alternative means of transportation. The Milan Airports are linked to several destinations that are generally also accessible by train and by road (through the national and European roadway system, including highways) at a cost and with journey times that on some routes could be competitive compared to those available when traveling by air.

As of the date of this Prospectus, numerous projects to improve the roadway and railway networks, including high-speed railways, have been completed or are being implemented in Italy and certain neighbouring countries. In addition, new high-speed railroad operators that also compete directly with air transport have entered the market.

Accordingly, in the future an increasingly significant number of passengers may choose means of transportation that are alternative to air transport, such as transportation by train. In particular, the high-speed railway service on the Milan-Rome-Naples line has been further upgraded and now offers an even shorter journey time. An additional train operator provides this high-speed railway service. Such a shift towards alternative means of transportation could cause a reduction of air traffic volumes at the Milan Airports, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Labour stoppages and interruptions in the provision of third party services may disrupt the Group's business operations

The Group faces the risk of temporary or occasional interruptions or suspensions of the activities performed and the services provided within the Milan Airports, which may occur following (i) strikes

or other forms of work stoppage by the Group's own personnel, including personnel employed by SEA Handling, or that of the carriers, the air traffic control and management authority (ENAV), the operators of public emergency services as well as, more generally, commercial operators (including sub-concession holders and suppliers) and other counterparts that operate at the Milan Airports; or (ii) the incorrect and/or untimely fulfilment of obligations relating to the provision of services by third parties that operate at the Milan Airports, including the personnel of ENAV responsible for air traffic control and management, the operators of public emergency and security services, the personnel of carriers or other operators providing ground-handling services, as well as, more generally, commercial operators and counterparts that operate at the Milan Airports.

There may be instances, including of a temporary or occasional nature, of strikes or other forms of work stoppage or interruptions in the provision of services by third parties operating at the Milan Airports or by the Group's own personnel that could cause the interruption of all or part of the activities performed and/or managed by the Group and have a material adverse effect on the Group's results of operations, financial condition and prospects. See also "*Risks relating to the decision of the European Commission concerning alleged State aid in favour of SEA Handling*" above.

The Group may be required to make significant payments for damages and its insurance coverage might not be available in all circumstances

The Group benefits from insurance cover to protect against key insurable risks including terrorism and business interruption. The Group takes the credit risk on the creditworthiness of its insurance providers. There can be no assurance that the Group's insurance policies cover all of the liabilities that may arise in connection with the operation of the Milan Airports. Any failure to be reimbursed under relevant insurance policies would require the Group to obtain replacement coverage, which might not be available at commercially reasonable rates or at all. This circumstance could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Risks relating to the management of the safety of airport operations

In the context of operational risk management, the Group has adopted since 2006: (i) a Safety Management System ("**SMS**") to ensure that airport airside activities are carried out under specific safety conditions; (ii) a Safety Board consisting of an accountable manager, a safety manager for specific matters and a general safety manager; and (iii) a Safety Committee. Although the Group has adopted the SMS and has adopted *ad hoc* structures and processes dedicated to addressing issues relating to operational safety, the Issuer cannot exclude the occurrence of events (such as, *inter alia*, airplane accidents, acts of terrorism, fires, flooding, bird strikes, power failures, technical issues, explosions, earthquakes, contagious disease outbreaks, volcanic ash clouds and other forms of inclement weather) that could adversely affect passengers, local residents and employees and therefore negatively affect the Group. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition and results of operations.

Risk factors relating to the Group's indebtedness

The Group's level of indebtedness and the terms of its indebtedness may adversely affect its business and liquidity position

As at 31 December 2013, the Issuer had approximately Euro 533.3 million of incurred credit facilities (with a net financial position of Euro 487.4 million) and an aggregate availability of a further Euro 146.9 million under its credit facilities. See "*Business Description of the Group – Financing Arrangements*".

The Group's indebtedness might increase from time to time in the future for a variety of reasons including, among other things, to enable the Issuer to refinance Notes and other debt and to finance future working capital, capital expenditure, investment plans, strategic acquisitions, business opportunities and other corporate requirements. The incurrence of additional indebtedness might have

an adverse effect on the Issuer's ability to satisfy its debt obligations, including its obligations under the Notes.

There can be no assurance that the Group will be able to raise future finance on terms that are economically viable or at all. See also "*Terms and Conditions of the Notes – Limitation on Indebtedness*". An inability to raise future finance in order to, amongst other things, finance future capital expenditure and refinance its indebtedness (including the Notes) could have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Business Description of the Group – Financing Arrangements*" and "*Use of Proceeds*".

Interest rate risk

The Group is exposed to the risk of interest rate changes relating to its borrowings and the cash held by it to manage day-to-day liquidity. Interest rate fluctuations could affect interest received on cash holdings and the amount of interest payable on certain existing debt or refinancing costs. Although the Issuer uses derivatives to hedge its exposure to interest rate fluctuations, there can be no assurance that this hedging activity will be adequate to cover all potential interest rate risks. The resulting increase in the Issuer's interest expense relating to the affected indebtedness could have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Business Description of the Group – Financing Arrangements*".

Risk factors relating to the industry in which the Group operates

Global adverse economic conditions

The performance of the Italian air transport industry depends on general economic conditions both in Italy (including trends in GDP and employment rates) and internationally. In particular, general economic conditions can influence, among other things, both the demand for air cargo services, which has a material effect on the services offered by carriers, and the propensity of passengers to fly.

Any slowdown in the recovery of the global economy from the effects of the global economic and financial crisis started in 2009, or the occurrence of new economic or financial crises in the near future, could result in a new decline in air traffic volumes in Italy, the rest of Europe and worldwide and have a material adverse effect on the Group's results of operations, financial condition and prospects.

Competition in the air transport industry and possible changes in the carriers' cost structure may adversely affect the Group's business

The development of the Group's business in the future depends to a significant extent on the strategic choices of carriers that are and will be dictated by the competitive development of the air transport industry.

The industrial or commercial strategies adopted by each carrier operating at the Milan Airports as part of its competitive positioning could lead such carrier to move all or part of its operations, to a different airport that competes with the Milan Airports. Any decision by a carrier to reduce or cease its operations at the Milan Airports might adversely affect the Group's operating capabilities, results of operations, financial condition and prospects if the Group is unable to offset or limit the impact of such decision in a timely and effective manner.

The strategic decisions made by carriers are also affected by such carriers' cost structure. In particular, volatility in oil prices, which is a key component of such cost structure, could result in changes to the pricing and traffic development strategy adopted by each carrier. In addition, the obligations resulting from the limitations on the emissions of carbon dioxide set by applicable environmental regulations, which are significant components of each carrier's cost structure, may also affect their strategic decisions.

A significant reduction of air traffic volumes in Italy and the rest of the world following changes in the carriers' cost structure, which could derive from an increase of the price of fuel or from investments required in order to comply with applicable environmental regulations, could have an adverse effect on the operations of airports in general and, as a result, have a material adverse effect on the Group's results of operations, financial condition and prospects.

The Group is exposed to intense competition in the airport handling market

The market for airport handling services is traditionally characterised, among other things, by increased competition as well as limited profitability. As a result, the conditions of increased competition in which airport handlers operate include the risk of a significant decrease in the market share for these services. The trend for airport ground-handling services is generally affected by the impact of the development and structure of the air transport market and the risks arising from the strategic and commercial choices of the carriers, which can significantly influence the activity of handlers based on the contracts that govern the relationship between handlers and carriers and are normally subject to withdrawal and termination provisions that are particularly favourable to carriers.

The increase in competitive pressure and the lower margins that are typical of the ground-handling business, together with the ongoing restructuring process in the Group's handling business, may prevent the Group from or delay the Group in reaching and maintaining satisfactory levels of profitability for its handling business, which could have an adverse effect on the Group's results of operations, financial condition and prospects. For further details see “–Risks relating to the decision of the European Commission concerning alleged State aid in favour of SEA Handling” above, “Business description of the Group – Legal, administrative and other proceedings” and “Business Description of the Group – Handling (Ground Handling Services)”.

Increasing regulation of airport activities, particularly with respect to the assignment of slots may adversely affect the Group's business

Slots at Italian airports are allocated to airlines by Assoclearance, the Italian Agency for Airport Coordination, without any input from the Group, in accordance with the criteria set out by European Community Regulation EC/95/93 (“**Regulation EC/95/93**”). Regulation EC/95/93 attempts to reconcile the interests of airlines already operating from an airport with the needs of new airlines that must be guaranteed access to such an airport.

In cases of revocation or voluntary surrender of a slot by an airline, Assoclearance reallocates that slot in compliance with the criteria set out by Regulation EC/95/93. In such cases, there is no guarantee that the slot would be reassigned to an air carrier capable of producing the same air traffic volume as that of the previous carrier. Thus, if Assoclearance reallocates one or more slots in favour of an air carrier that produces lower air traffic volumes than those produced by the previous carrier, it may cause other carriers who were not allocated slots to reduce and/or modify their operations at the Airports. Such reallocations could have an adverse effect on the Group's results of operations, financial condition and prospects. See “Regulatory Framework – Regulations Governing the Allocation of Slots”.

The EU's position on incentives granted to carriers or security matters may adversely affect the Group's business

Any significant change in the EU laws and regulations relating to incentives could result in the application of a more restrictive EU policy with respect to incentives for air traffic and affect the choices of some carriers operating from the Milan Airports. Similarly, the introduction of more restrictive Italian or EU laws and regulations relating to security matters could induce some carriers to reduce or change their own operations at the Milan Airports as well as at other Italian or EU airports.

As a result, any future changes in the regulatory framework of the air transport industry at the EU, national or local level could have an adverse effect on the Group's results of operations, financial condition and prospects.

The Group's business may be adversely affected by disruptions in the Eurozone credit markets and associated impacts

The global financial system has yet to overcome the disruptions and difficult conditions of recent years. Financial market conditions have remained challenging and in certain respects, such as in relation to sovereign credit risk and fiscal deficits in European countries, including Italy, still show signs of weakness. Conditions in Eurozone countries deteriorated in 2012 and remained uncertain in 2013 and in the first three months of 2014. Even though yields on sovereign debt instruments issued by certain Eurozone states, including Italy, declined in 2013 and are expected to remain stable in 2014, there is a continuous market perception that the single European currency is facing an institutional crisis of confidence. Such deterioration has raised concerns regarding the financial condition of European financial institutions and their exposure to such countries and such concerns may have an impact on the ability of the Group to fund its business in a similar manner and at a similar cost to the funding raised in the past.

Challenging market conditions have resulted in greater volatility and, in some cases, reduced liquidity, widening of credit spreads and a lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Group. In addition, the financial performance of the Group could be adversely affected by a worsening of general economic conditions in the markets in which it operates, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Risk Factors Relating to the Notes

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Group. Although 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, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

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

The Notes will carry fixed interest. 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 market (the "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 must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) 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 any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) 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.

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

Change of Control and Concession Event

Upon the occurrence of certain events relating to the Issuer, including a Change of Control or a Concession Event, as set out in Condition 7(c) (*Redemption and Purchase – Redemption at the option of Noteholders upon the occurrence of a Relevant Event*), under certain circumstances the Noteholders will have the right to require the Issuer to redeem all outstanding Notes at 100 per cent. of their principal amount. However, it is possible that the Issuer will not have sufficient funds at the time of the relevant event to make the required redemption of Notes. If there are not sufficient funds for the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise such right. Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer's financial position.

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

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of

Euroclear and Clearstream, Luxembourg to receive payments under the 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 Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Minimum denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination 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.

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

All payments in respect of 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) *imposta sostitutiva* (Italian substitute tax), pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (“**Decree No. 239**”); and
- (b) withholding tax operated in certain EU Member States pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income (the “**EU Savings Directive**”) and similar measures agreed with the European Union by certain non-EU countries and territories,

a brief description of which is set out below.

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 the section headed “*Taxation*” below.

Change of law or administrative practice

The terms and conditions of the Notes are based on English law in effect as at the date of this Prospectus, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Prospectus.

Modification

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks related to the market generally

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

The secondary market generally

The Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid and, consequently, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The market value of the Notes may also be significantly affected by factors such as variations in the Group's annual and interim results of operations, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Group.

Delisting of the Notes

Application has been made to the Irish Stock Exchange for the Notes to be listed on the Official List and admitted to trading on its regulated market. The Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

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 advisors 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 (the "**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 audited consolidated annual financial statements of the Issuer and its subsidiaries as at and for the years ended 31 December 2013 and 2012 prepared in accordance with IFRS, together with the accompanying notes and auditors' reports, are incorporated by reference in this Prospectus.

In addition,

- The 2012 audited Consolidated annual Financial Statements of the Group can be found on the Issuer's website at http://www.seamilano.eu/sites/sea14.message-asp.com/files/docs/01_pdf_sea-ing_9-7-13_0.pdf
- The 2013 audited Consolidated annual Financial Statements of the Group can be found on the Issuer's website at <http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/>

Cross-reference list

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

<i>Audited consolidated annual financial statements of the Issuer</i>	2013	2012
Consolidated Balance Sheet	Page 90	Page 69
Consolidated Comprehensive Income Statements	Page 91	Page 70
Consolidated Cash Flow Statement	Page 92	Page 71
Consolidated Statement of Changes in Consolidated Shareholders' Equity	Page 93	Page 72
Notes to the Consolidated Financial Statement	Page 94	Page 73
Independent auditors' report	Page 157	Page 113

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).

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” below.

The issue of the Notes was authorised by a resolution of the Board of Directors of Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A. (the “**Issuer**”, which expression shall include any Person substituted in place of the Issuer in accordance with Condition 13(d) (*Substitution*) or any permitted successor(s) or assignee(s)) passed on 2 April 2014. The Notes are constituted by a trust deed (the “**Trust Deed**”) dated 17 April 2014 between the Issuer and BNP Paribas Trust Corporation UK Limited (the “**Trustee**” which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Noteholders**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the coupons relating to them (the “**Coupons**”). Copies of the Trust Deed, and of the Paying Agency Agreement (the “**Paying Agency Agreement**”) dated 17 April 2014 relating to the Notes between the Issuer, the Trustee and the initial principal paying agent and the other paying agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at 55 Moorgate, London, EC2R 6PA, United Kingdom) and at the specified offices of the principal paying agent for the time being (the “**Principal Paying Agent**”) and the other paying agents for the time being (the “**Paying Agents**”, which expression shall include the Principal Paying Agent). The Noteholders and the holders of the Coupons (whether or not attached to the relevant Notes) (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 and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

1. Definitions and Interpretation

(a) **Definitions:** in these Conditions:

“**Accounting Principles**” means generally accepted accounting principles in Italy, including IFRS.

“**Acquired Indebtedness**” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the Issuer or any of its Subsidiaries or at the time it merges or consolidates with or into the Issuer or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary of the Issuer or such acquisition, merger or consolidation.

“**Acting in Concert**” means a group of Persons who, pursuant to an agreement or understanding, actively co-operate through the acquisition or holding of Equity Interests of an entity by any of them, either directly or indirectly, for the purposes of obtaining or consolidating control of the Issuer.

“**Auditors**” means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm appointed by the Issuer and approved in writing in advance by the Trustee.

“**Board of Directors**” means the board of directors of the Issuer.

“**Calculation Amount**” means €1,000 in principal amount of the Notes.

“**Capital Stock**” means:

(i) in the case of a corporation, corporate stock;

(ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“**Capitalised Lease Obligations**” means, at the time any determination is to be made, an obligation that is required to be classified and accounted for as a financial lease for financial reporting purposes on the basis of Accounting Principles. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalised on a balance sheet (excluding any notes thereto) prepared in accordance with Accounting Principles, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. For the avoidance of doubt, operating leases will not be deemed Capitalised Lease Obligations.

“**Cash Equivalents**” means:

(i) the principal amount of all negotiable securities, including certificates of deposit, commercial paper, promissory notes, corporate bonds, banker’s acceptances and time deposits held by the Issuer or any Subsidiary of the Issuer having a maturity not exceeding one year issued by (A) any state or governmental agency the unsecured short term obligations of which are rated not less than Baa1 by Moody’s, BBB+ by Standard and Poor’s or a comparable rating by any other internationally recognised rating agency or (B) any other entity the unsecured short-term debt obligations of which are rated not less than Baa1 by Moody’s, BBB+ by Standard and Poor’s or a comparable rating by any other internationally recognised rating agency or (C) any Prime Bank;

(ii) investments in investment funds, money market deposit accounts, investment companies or similar entities sponsored or managed by Prime Banks or other financial institutions which meet the requirements set forth in paragraph (i)(B) above and 80 per cent. or more of the portfolio of which constitutes cash or other securities of the type specified in clause (i)(A)-(C) above;

(iii) obligations to resell under repurchase agreements with a maturity not in excess of 90 days pursuant to a written agreement with respect to any security of the type described in paragraph (ii) above and entered into with any Prime Banks or other financial institutions which meet the requirements set forth in paragraph (ii) above; and

(iv) commercial paper rated at least "P-3" or the equivalent thereof by Moody’s or "A-3" or the equivalent thereof by S&P and, in each case, maturing within one year after the date of acquisition.

“**Concession**” or “**2001 Agreement**” means the exclusive regulatory agreement (*convenzione*) signed on 4 September 2001 between ENAC and the Issuer to manage, develop and operate (directly or indirectly through other Group companies or third parties) the Airports or any other law, regulation, agreement or concession pursuant to which the Issuer carries on the management, development and operation (directly or indirectly through other Group companies or third parties) of the Airports.

“**Consolidated EBITDA**” means, with respect to the Issuer and its Subsidiaries and for any period, the operating profit before provisions, amortisation and depreciation and adjusted for any positive or negative effects arising from extraordinary items, including but not limited to: positive or negative capital gains from the sale of shareholdings or assets of any kind, positive or negative capital gains arising from extraordinary financial transactions, restructuring charges connected to rationalisation

processes and all revenue and expense items arising outside of the ordinary course of business, all as determined in accordance with the Accounting Principles.

“**Consolidated Leverage**” means the sum of the outstanding Indebtedness, net of any cash or Cash Equivalents, of the Issuer.

“**Consolidated Leverage Ratio**” means, as of any date of determination, the ratio of (a) Consolidated Leverage at such date to (b) Consolidated EBITDA for the period of the most recent two consecutive six-month periods ending prior to the date of such determination for which consolidated financial statements of the Issuer are available (the “**Relevant Period**”). In addition to and without limitation of the foregoing, for purposes of this definition, “Consolidated Leverage” shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(i) the incurrence or repayment of any Indebtedness of the Issuer or any of its Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Relevant Period or at any time subsequent to the last day of the Relevant Period and on or prior to the date of determination, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Relevant Period; and

(ii) any asset sales or other dispositions, asset acquisitions (including, without limitation, any acquisition giving rise to the need to make such calculation as a result of the Issuer or one of its Subsidiaries (including any Person who becomes a Subsidiary of the Issuer as a result of the acquisition) incurring, assuming or otherwise being liable for Indebtedness and also including any Consolidated EBITDA (including any *pro forma* expense and cost reductions calculated as described below) attributable to the assets which are the subject of the acquisition or asset sale or other disposition during the Relevant Period) or discontinued operations occurring during the Relevant Period or at any time subsequent to the last day of the Relevant Period and on or prior to the date of determination, as if such asset sale or other disposition or acquisition (including the incurrence, assumption or liability for any such Indebtedness) occurred on the first day of the Relevant Period. If the Issuer or any of its Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if the Issuer or any Subsidiary of the Issuer had directly incurred or otherwise assumed such guaranteed Indebtedness.

“**Contractual Bonds**” means performance bonds, bid bonds, advance payment bonds, retention bonds, bonds for taxes and any other similar bond or guarantee instrument, granted directly or indirectly, including by means of a counter guarantee.

“**Controlling Shareholder**” means, directly or indirectly, any of:

- (i) the city of Milan (*Comune di Milano*);
- (ii) F2i SGR S.p.A.; or

following the passing of an Extraordinary Resolution of Noteholders that sanctions an event or circumstances that would otherwise constitute a Change of Control for the purposes of Condition 7(c) (*Redemption and Purchase - Redemption at the option of Noteholders upon a Change of Control*), such Person or Persons who, but for such Extraordinary Resolution, would have effected such Change of Control.

“**Credit Facilities**” means one or more debt facilities, indentures, bonds or commercial paper facilities (including, without limitation, the Existing Facilities), including any Guarantees, collateral documents, instruments and agreements executed in connection therewith, as such agreement, documents and instruments may be amended (including any amendment and restatement thereof),

supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing (including pursuant to such Credit Facilities, or commercial paper facilities with banks, investors, other lenders or institutional investors or by means of sales of debt securities to institutional investors or others), replacing or otherwise restructuring (without limitations as to amount, terms, conditions, covenants and other provisions, including increasing the amount of available borrowings thereunder or altering the maturities thereof or adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder) all or any portion of the debt under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders or other party.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Euro**” means the lawful currency of the member states of the European Union that participate in the third stage of the European Economic and Monetary Union.

“**Euro Equivalent**” means, with respect to any monetary amount in a currency other than Euro, at any time for the determination thereof, the amount of Euro obtained by converting such foreign currency involved in such computation into Euro at the spot rate for the purchase of Euro with the applicable foreign currency as published under “Currency Rates” in the section of The Financial Times entitled “Currencies, Bonds & Interest Rates” on the date two Business Days prior to such determination (or, if The Financial Times is no longer published, or if such information is no longer available in the The Financial Times, such source as may be selected in good faith by the Issuer).

“**Event of Default**” has the meaning given to it in Condition 10 (Events of Default).

“**Existing Facilities**” means the following Credit Facilities:

- (i) term and/or revolving credit facilities in an amount not to exceed, in aggregate, Euro 260 million between, amongst others, the Issuer and certain financial institutions; and
- (ii) uncommitted credit lines in an amount not to exceed, in aggregate, Euro 143.3 million entered into by the Issuer and certain financial institutions on or prior to the Issue Date.

“**Extraordinary Resolution**” has the meaning set out in the Trust Deed.

“**Financial Year**” means the annual accounting period of the Group ending on 31 December in each year.

“**Fitch**” means Fitch Ratings Ltd or any successor thereto from time to time.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness.

“**Handling Reorganisation**” means, with respect to the Group’s handling business (whether operated through SEA Handling S.p.A., Airport Handling S.r.l. or any other Person) (the “**Handling Business**”) any:

- (i) reorganisation, sale, contribution, amalgamation, winding-up, liquidation, administration or dissolution in any form or other similar arrangement; and/or
- (ii) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its shares, assets, business or its going concern; and/or
- (iii) sale, purchase or lease of all or any of its shares, assets, business or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind,

whereby all or any of its shares, assets, undertaking or business are acquired by, transferred, sold contributed, assigned or otherwise vested in any Person.

“**Indebtedness**” means (i) indebtedness for borrowed money; (ii) obligations evidenced by bonds, debentures, notes or other similar instruments; (iii) the principal component of obligations in respect of letters of credit, bankers’ acceptances and similar instruments; (iv) obligations to pay the deferred and unpaid purchase price of property; (v) Capitalised Lease Obligations and attributable indebtedness related to sale/leaseback transactions; (vi) with respect to Guarantees provided by an entity (without double counting) the principal amount of indebtedness guaranteed by such Guarantee; and (vii) net obligations under currency hedging agreements and interest rate, commodity price risk and energy price risk hedging agreements if and to the extent that any of the preceding indebtedness would appear as a financial liability on the balance sheet of the debtor prepared in accordance with Accounting Principles (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable at such time).

The term “Indebtedness” shall not include (i) any trade debt obligation incurred in the ordinary course of business and any accrued liability incurred in the ordinary course of business that provide a payment term after no more than 240 days; (ii) any obligations in respect of workers’ compensation claims, early retirement or termination obligations (including for the avoidance of doubt, any obligations to pay *trattamento fine rapporto*), pension fund obligations or contributions or any post-employment plan or similar claims, obligations or contributions or social security or wage taxes; (iii) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business; (iv) in connection with the purchase by the Issuer or any of its Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing of such transaction; provided, however, that, at the time of closing of such transaction, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined (following a final closing balance sheet, final determination or judgment), the amount is paid within 30 days thereafter; (v) financings undertaken by the Issuer or its Subsidiaries in connection with the creation of pools of assets dedicated to specific transactions (*patrimoni destinati a uno specifico affare*) within the meaning set out under Article 2447-bis and subsequent of the Italian Civil Code; (vi) any lease, concession or license of assets or other property which would be considered an operating lease under the Accounting Principles; or (vii) any subordinated shareholder debt incurred by the Issuer or any of its Subsidiaries from any direct or indirect holding company of the Issuer, *provided that* such debt is either (a) fully subordinated and junior in right of payment to the Notes or (b) has a stated maturity that falls after the final maturity of the Notes.

“**IFRS**” means International Financial Reporting Standards as endorsed by the European Union and in effect on the date of any calculation or determination required hereunder.

“**Insolvent**” means that the Issuer or any of its Material Subsidiaries is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or is insolvent.

“**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“**Issue Date**” means the date of issue of the Notes.

“**Limited Recourse Transaction**” means the ownership, acquisition (in each case, in whole or in part), development, design, restructuring, leasing, refinancing, maintenance and/or operation of any asset or assets (including, without limitation, concessions granted by public entities and authorities) and/or any interest or equity participations in, or shareholder loan to, one or more, company(ies) or entity(ies) holding such assets or concessions.

“**Limited Recourse Indebtedness**” means any Indebtedness incurred and/or guaranteed by one or more members of the Group (the “**Relevant Persons**”) to finance or refinance a Limited Recourse Transaction in respect of which:

- (i) the claims of the relevant creditor(s) against the Relevant Persons are limited to (i) an amount equal to the cash flows from such Limited Recourse Transaction; and/or (ii) an amount equal to the proceeds deriving from the enforcement of any Security taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and
- (ii) the relevant creditor(s) has no recourse against the assets of the Issuer or any Material Subsidiary other than (i) the Limited Recourse Transaction and the Security (if any) taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and/or (ii) a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof).

“**Material Subsidiary**” means, at any time, any Subsidiary of the Issuer:

- (i) whose gross revenues (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries) or whose total net assets (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated gross revenues (excluding intra-group items), or, as the case may be, the consolidated total net assets of the Group, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Issuer and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary of the Issuer had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Auditors for the time being after consultation with the Issuer; or
- (ii) to which is transferred all or Substantially All of the business, undertaking and assets of another Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary of the Issuer shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary of the Issuer or such transferee Subsidiary of the Issuer is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by a director or other authorised signatory of the Issuer that in its opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary of the Issuer is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders.

“**Moody’s**” means Moody’s Investors Service Limited or any successor thereto from time to time.

“**Permitted Encumbrance**” means:

- (i) any Security Interest arising by operation of law or required by the Concession;
- (ii) any Security Interest in existence in respect of any asset or property of the Issuer or any of its Subsidiaries as on the Issue Date;
- (iii) in the case of any Person which becomes a Subsidiary of the Issuer (or, for the avoidance of doubt, which is deemed to become a Subsidiary of the Issuer or a Material Subsidiary) of any member of the Group after the Issue Date, any Security Interest securing Relevant Indebtedness existing over its assets at the time it becomes such a Subsidiary of the Issuer or Material Subsidiary (as applicable) provided that such Security Interest was not created in contemplation of or in connection with it becoming a Subsidiary of the Issuer or Material Subsidiary (as applicable) and the amounts secured have not been increased in contemplation of or in connection therewith;
- (iv) any Security Interest arising under or in connection with Limited Recourse Indebtedness (including, for the avoidance of doubt, any Security Interest created over receivables, contracts, bank accounts or other assets of the Issuer or any Material Subsidiary securing Limited Recourse Indebtedness);
- (v) any Security Interest created in connection with convertible bonds or notes where the Security Interest is created over the assets into which the convertible bonds or notes may be converted and secures only the obligations of the Issuer or any relevant Material Subsidiary, as the case may be, to effect the conversion of the bonds or notes into such assets;
- (vi) any Security Interest securing Relevant Indebtedness created in substitution of any other Security Interest permitted under paragraphs (i) to (v) above over the same or substituted assets provided that the principal amount secured by the substitute Security Interest does not exceed the principal amount outstanding and secured by the initial Security Interest; and
- (vii) any Security Interest, other than a Security Interest permitted under paragraphs (i) to (vi) above, directly or indirectly securing Relevant Indebtedness, where the principal amount of such Relevant Indebtedness (taken on or about the date such Relevant Indebtedness is incurred) which is secured or is otherwise directly or indirectly preferred to other general unsecured Indebtedness of the Issuer or any Material Subsidiary, does not exceed in aggregate ten (10%) of the consolidated total assets of the Issuer (as disclosed in the most recent annual audited and unaudited semi-annual consolidated financial statements of the Issuer).

“**Permitted Indebtedness**” has the meaning given to that term in Condition 5(b).

“**Permitted Reorganisation**” means:

- (i) in relation to any Material Subsidiary:
 - (A) any:
 - (1) “*fusionione*” or “*scissione*” (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, consolidation, demerger (whether in whole or in part) or other similar arrangement; or
 - (2) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern; or
 - (3) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or

(4) lease of its assets or its going concern,

whereby all or Substantially All of its assets and undertaking (as evidenced in its latest audited financial statements (consolidated, if available)) are transferred, sold contributed, assigned or otherwise vested in (x) the Issuer, (y) any Subsidiary or Subsidiaries of the Issuer and/or (z) any Subsidiary or Subsidiaries of a Material Subsidiary; or

(B) a sale, demerger, contribution or other disposal of all or Substantially All of the relevant Material Subsidiary's assets (as evidenced in its latest audited financial statements (consolidated, if available)) whilst solvent to any Person on commercial arm's length terms; or

(C) the Handling Reorganisation; and

(ii) in relation to the Issuer:

(A) any

(1) "*fusionione*" or "*scissione*" (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, consolidation, demerger (whether in whole or in part) or other similar arrangement; or

(2) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern; or

(3) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or

(4) lease of its assets or its going concern,

whereby all or Substantially All of its assets and undertaking (as evidenced in its latest audited financial statements (consolidated, if available)) are transferred, sold contributed, assigned or otherwise vested in one or more body corporates which assume(s) or maintain(s) (as the case may be) the liability as principal debtor and/or guarantor in respect of the Notes.

"Proceedings" means any legal action or proceedings arising out of or in connection with the Notes or the Coupons.

"Rating Agency" means Moody's, Fitch or S&P or any of their respective successors or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them by the Issuer from time to time.

"Reference Dealers" means BNP Paribas, Mediobanca – Banca di Credito Finanziario S.p.A., and Morgan Stanley & Co. International plc or their successors.

"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 the purposes of this definition, the "mid-market annual swap rate" means the arithmetic mean of the bid and offered rates for the annual fixed leg calculated on a 30/360 day count basis on a fixed-for-floating euro interest rate swap transaction maturing on 17 April 2021, on such Optional Redemption Date.

"Refinancing Indebtedness" means any Indebtedness issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Issuer or any Subsidiary of the Issuer provided, however that:

(i) such Refinancing Indebtedness has a stated maturity that is either (a) no earlier than the stated maturity of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (b) after the final maturity of the Notes; and

(ii) such Refinancing Indebtedness has an aggregate principal amount (or if issued with an original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) originally outstanding or originally committed (plus accrued interest, fees and expenses, including any premiums) under the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged save that any Refinancing Indebtedness shall include the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness.

“**Relevant Jurisdiction**” means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

“**Relevant Indebtedness**” means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which for the time being are, or are intended to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

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

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc. or any successor thereto from time to time.

“**Subsidiary**” means in relation to any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) (a “holding company”), any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) which is controlled, directly or indirectly, by the holding company pursuant to article 2359, paragraph 1, No. 1 and 2, of the Italian civil code.

“**Substantially All**” shall mean a part of the whole which accounts for eighty per cent. (80%) or more.

“**TARGET Settlement Day**” means any day on which the TARGET system is open.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

“**Voting Capital**” means, at any particular time, the aggregate amount of votes represented by all classes of outstanding Equity Interests of the Issuer for the purposes of voting at the Issuer’s ordinary and extraordinary shareholders’ meetings.

(b) **Definition of certain events:** in these Conditions, the following events are deemed to have occurred as set out below:

a “**Change of Control**” shall be deemed to occur if:

(i) any Person or group of Persons Acting in Concert, other than a Controlling Shareholder (whether alone or Acting in Concert), at any time holds or obtains a higher percentage of the Issuer’s Voting Capital than that held, in aggregate, by the Controlling Shareholders (a “**Voting Capital Event**”); and

(ii) at any time following a Voting Capital Event, the Controlling Shareholder(s) (whether alone or Acting in Concert) cease(s) to hold sufficient Voting Capital of the Issuer such as to enable it or them to appoint a majority of the members of the Board of Directors of the Issuer at the Issuer's ordinary and extraordinary shareholders' meetings,

provided, however, that no Change of Control shall be deemed to have occurred where Noteholders have, by way of Extraordinary Resolution, given their prior approval of the holding or obtaining by such Person or Persons of such percentage of the Issuer's Voting Capital, in which case references in these Conditions to "Controlling Shareholder" shall be read as references to such Person or Persons.

a "**Concession Event**" shall be deemed to occur if:

(i) the Concession is revoked for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law and such revocation becomes effective in accordance with its terms; or

(ii) the Concession is terminated (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and such cessation becomes effective in accordance with its terms; or

(iii) an order for withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law is issued and such withdrawal becomes effective in accordance with its terms.

an "**Insolvency Event**" will have occurred in respect of the Issuer or any of its Material Subsidiaries if:

(i) any one of them becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (including, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which it is deemed to carry on business) or similar proceedings or the whole or a substantial part of its undertaking or assets are subject to a *pignoramento* or similar procedure having a similar effect, unless such proceedings (a) are being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (b) are discharged or stayed within 90 days;

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by any one of them or the same proceedings are otherwise initiated against any one of them or notice is given of intention to appoint an administrator in relation to any one of them unless (A) the commencement of such proceedings is being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (B) such proceedings are discharged or stayed within 90 days;

(iii) any one of them takes any action for a re-adjustment or deferral of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any of its indebtedness or applies for suspension of payments; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of any one of them (except a winding-up for the purposes of or pursuant to Permitted Reorganisation) or any of the events under article 2484 of the Italian civil code occurs with respect to any one of them.

(c) **Interpretation:** in these Conditions:

(i) "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city and which is a TARGET Settlement Day;

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

(iii) “**Relevant Date**” means whichever is the later of (i) the date on which a payment first becomes due; and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders;

(iv) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under Condition 9 (Taxation) or any undertaking given in addition to or substitution for such amounts under the Trust Deed; and

(v) any reference in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to Condition 16 (Further Issues) and forming a single series with the Notes.

2. Form, Denomination and Title

a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons attached on issue. No definitive Notes will be issued with a denomination above EUR 100,000.

b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no Person will be liable for so treating the holder.

3. Status

The Notes and Coupons constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4. Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Material Subsidiaries will, create, or permit to subsist, any Security Interest (other than a Permitted Encumbrance) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other Security Interest as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders; or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

5. Limitation on Indebtedness

a) So long as any of the Notes remain outstanding (as defined in the Trust Deed), and subject to Condition 5(c) below, the Issuer will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any additional Indebtedness other than any Permitted Indebtedness; *provided that* the Issuer and any of its Subsidiaries may incur additional Indebtedness if on the date of the incurrence of such additional Indebtedness the Consolidated Leverage Ratio is less than 3.80 to 1.00. For purposes hereof, the date of calculation of any Consolidated Leverage shall be the date on which

any new Indebtedness is to be incurred and shall include any additional Indebtedness that is proposed to be incurred (including any *pro forma* application of the net proceeds thereof).

On or prior to each Reporting Date, the Issuer will deliver to the Trustee a certificate, signed by a duly authorised signatory of the Issuer, confirming that it has complied with its obligations under this Condition 5(a) or, if it has not complied with such obligations, it shall set forth in reasonable detail the reasons for such non-compliance. For the avoidance of doubt, the Trustee shall have no duty to monitor compliance by the Issuer with the covenant set out in this Condition 5(a) and can rely without liability and without further enquiry on the Issuer's certificate(s) as to its compliance or non-compliance as aforementioned. As used herein, "Reporting Date" means a date falling no later than sixty (60) days after the approval by the Board of Directors of the Issuer's annual consolidated financial statements.

b) Condition 5(a) will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Indebtedness**"):

(i) Indebtedness of the Issuer owing to any of its Subsidiaries or Indebtedness of any of its Subsidiaries owing to the Issuer or any Subsidiary of the Issuer;

(ii) Indebtedness of the Issuer under the Notes and any Indebtedness of the Issuer and its Subsidiaries under agreements or arrangements in existence on, or contemplated by the Issuer prior to, the Issue Date (including with respect to the Existing Facilities);

(iii) Acquired Indebtedness of any Person outstanding on the date on which such Person becomes a Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Subsidiaries provided, however, that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred, the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to Condition 5(a) after giving effect to the incurrence of such Indebtedness pursuant to this paragraph;

(iv) Indebtedness of the Issuer and its Subsidiaries in respect of worker's compensation claims, self-insurance obligations, performance, surety and similar bonds, Contractual Bonds, completion Guarantees provided by the Issuer and its Subsidiaries, accrued and unpaid tax liabilities and bank overdrafts in the ordinary course of business;

(v) Indebtedness of the Issuer and its Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any business, assets or capital stock of the Issuer or any of its Subsidiaries (whether in respect of a Permitted Reorganisation or otherwise) after the Issue Date;

(vi) Indebtedness of the Issuer and its Subsidiaries arising from honouring a bank or other financial institution of a cheque, draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business, *provided that* such Indebtedness is disbursed within sixty Business Days of incurrence;

(vii) Indebtedness of the Issuer and its Subsidiaries arising from advance payments received from customers for goods and services purchased and credit periods in the ordinary course of business of the Issuer and its Subsidiaries;

(viii) Indebtedness of the Issuer and its Subsidiaries constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business; *provided that* upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within sixty Business Days after demand for reimbursement;

(ix) Indebtedness of the Issuer and its Subsidiaries under customary cash management arrangements, cash pooling arrangements, netting or setting off arrangements and hedging

arrangements (with respect to currency risks, interest rate risks, commodity risks and price risks) in the ordinary course of business;

(x) the Guarantee by the Issuer or a Subsidiary of the Issuer of Indebtedness that was permitted to be incurred by the Person granting the Guarantee pursuant to another provision of this Condition 5;

(xi) the factoring of accounts receivable arising in the ordinary course of business pursuant to customary arrangements by the Issuer or a Subsidiary of the Issuer;

(xii) any Limited Recourse Indebtedness;

(xiii) Indebtedness of the Issuer or any of its Subsidiaries for money borrowed from any governmental entities, quasi-governmental entities, local authorities or other statutory, public or quasi-public entities for the purposes of funding research, development and innovation, including all Refinancing Indebtedness incurred to refinance any such Indebtedness; provided that such Indebtedness is borrowed on terms that are more favourable to the Issuer or such Subsidiary of the Issuer than could be obtained by it from commercial banks on arm's length terms at the time of incurrence (as determined in the reasonable judgment of a member of senior management of the Issuer or by a responsible financial or accounting officer of the Issuer);

(xiv) any Refinancing Indebtedness incurred with respect to the refinancing of any Existing Facilities, any Indebtedness permitted under Condition 5(a) above or this Condition 5(b); and

(xv) in addition to the aforementioned exceptions, the incurrence by the Issuer and its Subsidiaries of Indebtedness, not to exceed an aggregate principal amount of €35 million.

For purposes of determining compliance with this Condition 5:

(A) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in paragraphs (i) through (xvii) of this Condition 5(b), and/or is entitled to be incurred pursuant to Condition 5(a), the Issuer, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Condition 5(a) or this Condition 5(b), and will be permitted from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant;

(B) Guarantees of, or obligations in respect of, letters of credit, bankers' acceptances or other similar instruments relating to, or Security Interests securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included for purposes of determining compliance with, and outstanding principal amount of any particular Indebtedness incurred pursuant to and in compliance with this Condition;

(C) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to Condition 5(a) or Condition 5(b)(i),(iv) or (v) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(D) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of the Accounting Principles;

(E) the accrual of interest, the accretion or amortisation of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms and the reclassification of preferred stock as Indebtedness due to a change in accounting principles will not be deemed to be an incurrence of Indebtedness for purposes of this Condition 5; and

- (F) the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided that* (i) if such Indebtedness is incurred as Refinancing Indebtedness which is denominated in a currency other than Euro, and such refinancing of Indebtedness would cause the applicable Euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Euro-denominated restriction will not be deemed to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date will be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in Euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.
- c) This Condition 5 will not apply in the event the Issuer obtains an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better), in respect of its long-term debt from any Rating Agency.

6. Interest

The Notes bear interest from and including the Issue Date at the rate of 3.125 per cent. per annum, payable annually in arrear on 17 April in each year (each an “**Interest Payment Date**”).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Note shall be calculated per € 1,000 in principal amount of the Notes (the “**Calculation Amount**”), the amount of interest payable per Calculation Amount for any period shall be equal to the product of 3.125 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7. Redemption and Purchase

a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 17 April 2021. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that 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 were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Trustee (a) a certificate signed by a duly authorised director of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

c) **Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event:**

If a Relevant Event occurs, the holder of each Note will have the option (a "Put Option") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 7(b) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount then outstanding together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Relevant Event has occurred, and in any event within 14 days after becoming aware of the occurrence of such Relevant Event, the Issuer shall give notice (a "Put Event Notice") to the Noteholders in accordance with Condition 17 specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "Put Period") of 30 days after the date on which a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Put Notice"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the "Put Date"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and

surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 7(c) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7(c), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Relevant Event or any event which could lead to the occurrence of or could constitute a Relevant Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Relevant Event or other such event has occurred.

For the purposes of this Condition 7(c) (Redemption at the option of the Noteholders upon the occurrence of a Relevant Event), a “**Relevant Event**” shall be deemed to occur if:

(A) a Concession Event occurs and:

(i) in the Issuer's annual or semi-annual financial statements prior to the occurrence of the Concession Event, the revenues arising from or in connection with the Concession represented more than 40% of the consolidated revenues of the Group; and

(ii) at the time of the occurrence of the Concession Event, the Notes:

(A) carry from any Rating Agency an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better) (an “**Investment Grade Rating**”), from any Rating Agency (whether provided by any such Rating Agency at the invitation of the Issuer or by its own volition), such rating is within sixty (60) days of the occurrence of the Concession Event, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within such sixty (60) 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; or

(B) carry from any Rating Agency a Non-Investment Grade Rating, and such rating from any Rating Agency is, within sixty (60) days of the occurrence of the Concession Event, downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such sixty (60) day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or

(C) carry no credit rating, and no Rating Agency assigns within one hundred and eighty (180) days of the occurrence of the Concession Event an Investment Grade Rating to the Notes,

and in making any relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision resulted, in whole or in part, from the occurrence of the Concession Event; or

(B) a Change of Control occurs and, to the extent that at the time of the occurrence of the Change of Control, the Notes either:

- (i) carry from any Rating Agency an Investment Grade Rating, from any Rating Agency (whether provided by such Rating Agency at the invitation of the Issuer or by its own volition), such rating is within sixty (60) days of the occurrence of the Change of Control, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within such sixty (60) 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; or
- (ii) carry from any Rating Agency a Non-Investment Grade Rating, and such rating from any Rating Agency is, within sixty (60) days of the occurrence of the Change of Control, downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such sixty (60) day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
- (iii) carry no credit rating, and no Rating Agency assigns within one hundred and eighty (180) days of the occurrence of the Change of Control an investment grade rating to the Notes,

and in making any relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision resulted, in whole or in part, from the occurrence of the Change of Control.

d) **Redemption at the option of the Issuer:** Unless a Put Event Notice has been given pursuant to Condition 7(c) above, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all, but not some only, of the Notes at a redemption price per Note equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

- (i) 100 per cent. of the principal amount outstanding of the Note; and
- (ii) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes 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) by 366) at the Reference Dealer Rate plus 0.50 per cent., in each case as determined by the Reference Dealers.

e) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in conditions 7(a), 7(b), 7(c) and 7 (d) above.

f) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

g) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 7(h) below, they are purchased together with all unmatured Coupons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of these Conditions and the Trust Deed. Such Notes may be held, reissued, resold, or at the option of the Issuer, surrendered to the Paying Agent for cancellation.

h) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

8. Payments

a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a Euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

b) **Payments subject to laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date for the relevant payment of principal in respect of the relevant Note.

d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation and, in the case of payment by credit or transfer to a Euro account as described above, is a TARGET Settlement Day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 8 falling after the due date.

e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed in the Paying Agency Agreement. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent, (ii) Paying Agents having specified offices in at least two major European cities approved by the Trustee and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

9. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

a) presented for payment in the Republic of Italy; or

- b) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- c) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- d) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- e) 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 Legislative Decree No. 239 of 1 April 1996, as amended, 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
- f) 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; or
- g) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- h) presented for payment where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

10. Events of Default

If any of the following events occurs the Trustee at its discretion may, and if so requested by holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- a) **Non-Payment:** the Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee; or
- c) **Cross-Default:** (i) any other present or future Indebtedness (other than Limited Recourse Indebtedness) of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Indebtedness (other than Limited Recourse Indebtedness) is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future Guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than in respect of any Limited Recourse Indebtedness) provided

that the aggregate amount of the relevant Indebtedness, Guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds €20,000,000 or its equivalent; or

d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a substantial part of the property, assets or revenues of the Group taken as a whole other than any distress, attachment, execution or other legal process under or in connection with (i) the Concession, (ii) any Limited Recourse Indebtedness, (iii) a Permitted Reorganisation or (iv) any matter described in Condition 11(e) (Security Enforced) below) and in any such case, is not discharged or stayed within one hundred and eighty (180) days. For the purposes of this paragraph (d), “substantial part” means forty (40)% or more by value of the whole; or

e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future (other than any mortgage, charge, pledge, lien or other encumbrance securing Limited Recourse Indebtedness or any Permitted Encumbrances) created or assumed by the Issuer or any of its Material Subsidiaries having an aggregate value of at least €20,000,000 or its equivalent 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) unless discharged or stayed within one hundred and eighty (180) days; or

f) **Insolvency:** an Insolvency Event occurs in relation to the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation) or the Issuer or any of its Material Subsidiaries becomes Insolvent; or

g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation); or

h) **Cessation of business:** the Issuer or any of its Material Subsidiaries ceases to carry on all or Substantially All of the business then being conducted by the Issuer or the Group taken as a whole (calculated on the basis of the Group’s consolidated total assets) otherwise than as a result of (i) a Permitted Reorganisation, (ii) the occurrence of a Relevant Event resulting from a Concession Event or (iii) the term of the Concession, whether or not renewed, expiring; or

i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10.

11. Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

12. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Meetings of Noteholders, Modification, Waiver and Substitution

a) **Meetings of Noteholders:** The Trust Deed contains, *inter alia*, provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including, *inter alia*,

provisions governing the passing of resolutions by Noteholders and the modification of any provisions of these Conditions or any relevant provisions of the Trust Deed.

All meetings of holders of Notes will be held in accordance with applicable provisions of Italian law in force at the time. In accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a joint representative (*rappresentante comune*) of the Noteholders, having the powers and duties set out in Article 2418 of the Italian Civil Code; (ii) any amendment to these Conditions; (iii) motions for composition with creditors (*concordato*) of the Issuer; (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) on any other matter of common interest to the Noteholders. Such a meeting may be convened by the Board of Directors of the Issuer, by the joint representative of the Noteholders or, subject to any mandatory provisions of Italian law, the Trustee (subject to it being indemnified and/or secured and /or prefunded to its satisfaction) when the Board of Directors, the joint representative or, subject to any mandatory provisions of Italian law, the Trustee, as the case may be, deems it necessary or appropriate, and such a meeting shall be convened when a request is made by the Noteholders holding not less than one-twentieth in principal amount of the Notes for the time being outstanding, in each case in accordance with Article 2415 of the Italian Civil Code.

According to the Italian Civil Code, the vote required to pass a resolution by the Noteholders' meeting will be (a) in the case of the first meeting, one or more Persons that hold or represent holders of more than one half of the aggregate principal amount of the outstanding Notes, and (b) in the case of the second and any further adjourned meeting, one or more Persons that hold or represent holders of at least two-thirds of the aggregate principal amount of the outstanding Notes so present or represented at such meeting. Any such second or further adjourned meeting will be validly held if there are one or more Persons present that hold or represent holders of more than one-third of the aggregate principal amount of the outstanding Notes; provided, however, that the Issuer's by-laws may provide for a higher quorum (to the extent permitted under Italian law). If the business of such meeting includes consideration of any matter provided under Article 2415 paragraph 1, item 2 of the Italian Civil Code, such resolution may only be approved at any meeting by a resolution passed at a meeting of holders of the Notes by one or more Persons present that hold or represent holders of not less than one-half of the aggregate principal amount of the outstanding Notes, unless a different majority is required pursuant to Article 2369, paragraph 3 of the Italian Civil Code.

The Notes shall not entitle the Issuer to participate and vote in the Noteholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings. The resolutions validly adopted in meetings are binding on Noteholders whether present or not.

In the event the Noteholders' meeting fails to appoint a joint representative (*rappresentante comune*), such appointment may be made at the request of any Noteholder or at the request of the Board of Directors of the Issuer by the president of the court of the venue where the registered office of the Issuer is located.

Any meeting shall be held on a date and at a time and place approved by the Trustee.

b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the

Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

d) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree in circumstances including, but not limited to circumstances which would constitute a Permitted Reorganisation, subject to such other conditions as the Trustee may in its absolute discretion require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor, transferee or assignee or any Subsidiary of the Issuer or its successor, transferee or assignee in place of the Issuer, or of any previous substituted Person, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change of the law governing the Notes would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. In addition, notice of any such substitution shall be given to the Irish Stock Exchange and published in accordance with Condition 17 (*Notices*).

14. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such actions, steps or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

17. Notices

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

18. Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

a) **Governing Law:** The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law. Condition 13(a) and the provisions of Schedule 3 of the Trust Deed which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.

b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Coupons ("**Proceedings**") may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons.

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 a 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 the 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 Closing 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 17 (*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 17 (*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 9 (*Taxation*)).

Put Option

The Noteholders’ option in Condition 7(c) (*Redemption at the Option of Noteholders upon the occurrence of a Relevant Event*) may be exercised by the holder of the Permanent Global Note giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 7(c) (*Redemption at the Option of Noteholders upon the occurrence of a Relevant Event*).

Redemption for Taxation Reasons

The option of the Issuer provided for in Condition 7(b) (*Redemption for Taxation Reasons*) shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, that 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 7(c) (*Redemption at the Option of Noteholders upon the Occurrence of a Relevant Event*) 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 international central securities depositories (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. As at the date of this Prospectus, one of the Eurosystem eligibility criteria for debt securities is an investment grade rating and, accordingly, as the Notes are unrated, they are not expected to satisfy the requirements for Eurosystem eligibility.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to approximately €297,450,000 after deduction of the commissions and the other expenses incurred in connection with the issue of the Notes, will be used by the Issuer to repay existing indebtedness of the Group (including the repayment in part of amounts outstanding under existing facilities, a portion of which is owed to certain of the Joint Lead Managers, directly or through an affiliate or through companies being part of their banking group, including parent companies) and for general corporate purposes. For further detailed information, see “*Subscription and Sale*”, “*Business Description of the Group – Financing Arrangements*” and “*General Information – Potential Conflicts of Interest*”.

SELECTED CONSOLIDATED FINANCIAL INFORMATION RELATING TO THE GROUP

The tables below contain the consolidated balance sheet, consolidated comprehensive income statements and consolidated cash flow statements of the Group as at and for the years ended 31 December 2013 and 2012, derived from the Group's audited Consolidated annual Financial Statements as at and for the years ended 31 December 2013 and 2012.

Such information is derived from and should be read in conjunction with, and is qualified in its entirety by reference to the audited Consolidated Financial Statements of the Issuer as at and for the years ended 31 December 2013 and 2012, together with the accompanying notes and (where applicable) reports of the independent auditors of the Issuer, all of which are incorporated by reference in this Prospectus. See "*Documents Incorporated by reference*".

The Issuer's consolidated annual financial statements as at and for the years ended 31 December 2013 and 2012 have been prepared in accordance with IFRS. PricewaterhouseCoopers S.p.A. has audited the Issuer's Consolidated annual Financial Statements as at and for the year ended 31 December 2012. Deloitte & Touche S.p.A. has audited the Issuer's Consolidated annual Financial Statements as at and for the year ended 31 December 2013.

The financial information below includes certain non-IFRS measures used to evaluate the Group's economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered as an alternative measure to evaluate the Group's performance.

Consolidated Balance Sheet

	2013	2012
	(€ thousands)	(€ thousands)
Assets		
Intangible assets ^(*)	942,987	870,682
Property, plant & equipment ^(*)	196,495	205,870
Property investments	3,416	3,420
Investments in associated companies	42,720	41,639
Available-for-sale investments	26	26
Deferred tax assets	30,031	31,554
Other non-current receivables	495	599
Total non-current assets	1,216,170	1,153,790
Inventories	6,716	7,758
Trade receivables	118,095	156,054
Tax receivables ^(**)	17,809	15,356
Other receivables	17,740	19,613
Cash and cash equivalent	60,720	54,339
Asset classified as held for sale	-	-
Total current assets	221,080	253,120
Total assets	1,437,250	1,406,910
Liabilities		
Share capital	27,500	27,500
Other reserves	225,559	185,744
Net profit	35,998	64,003
Group Shareholders' equity	289,057	277,247
Minority interest shareholders' equity	611	85
Group & minority interest shareholders' equity	289,668	277,332
Provision for risks & charges	187,111	163,533
Employee provisions	77,155	77,064
Non-current financial liabilities	401,361	410,696
Total non-current liabilities	665,627	651,293
Trade payables	165,867	202,006
Income tax payables	57,707	53,562
Other payables	111,282	166,307
Current financial liabilities	147,099	56,410
Total current liabilities	481,955	478,285
Liabilities directly associated with assets classified as held for sale	-	-
Total liabilities	1,147,582	1,129,578
Total liabilities & shareholders' equity	1,437,250	1,406,910

^(*) All the fixed assets, including those under the scope of IFRIC 12, are reported net of State and EU grants, amounting at 31 December 2013 to Euro 499,748 thousand and Euro 1,800 thousand, respectively.

^(**) In 2012 this item was classified into "Other receivables".

Consolidated Comprehensive Income Statement

	2013	2012
	(€ thousands)	(€ thousands)
Operating revenues.....	657,080	632,294
Revenues for works on assets under concession	67,000	88,662
Total revenues.....	724,080	720,956
Operating costs		
Personnel costs.....	(250,344)	(256,272)
Consumable materials.....	(48,786)	(63,038)
Other operating costs.....	(161,366)	(145,291)
Provisions & write-downs ^(*)	(39,495)	(14,933)
Costs for works on assets under concession	(62,311)	(83,453)
Total operating costs.....	(562,302)	(562,987)
EBITDA^(*).....	161,778	157,969
Amortisation & depreciation.....	(49,919)	(45,934)
Provision for restoration and replacement ^(*)	(26,294)	(11,350)
EBIT^(**).....	85,565	100,685
Investment income.....	2,798	7,549
Financial charges.....	(22,151)	(19,179)
Financial income.....	1,031	713
Pre-tax profit.....	67,243	89,768
Income taxes.....	(31,242)	(25,763)
Profit for the year from discontinued operations.....	-	-
Net profit.....	36,001	64,005
Minority interest profit.....	3	2
Group net profit.....	35,998	64,003
Items that may be reclassified to the Income statement:		
Fair value measurement of derivative financial instruments.....	5,000	(6,522)
Tax effect from fair value measurement of derivative financial instruments.....	(1,375)	1,794
Total items that may be reclassified to the Income statement.....	3,625	(4,728)
Items that will never be reclassified to the Income statement:		
Actuarial Profit / (Loss) on Employee Leaving Indemnity.....	191	(9,356)
Tax effect on Actuarial Profit / (Loss) on Employee Leaving Indemnity.....	(53)	2,360
Total items that will never be reclassified to the Income statement.....	138	(6,996)
Total other comprehensive income items.....	3,763	(11,724)
Total comprehensive profit.....	39,764	52,281
Attributable to:		
- Parent company shareholders.....	39,761	52,279
- Minority interest.....	3	2

^(*) EBITDA includes operating revenues, revenues for works on assets under concession, net of personnel costs, consumable materials, other operating costs, provisions & write-downs, costs for works on assets under concession and excludes the caption Provision for restoration and replacement (in 2012 included in the caption provisions & write-downs). Accordingly, 2012 figures have been reclassified to provide a better clarification and comparability of information for the two years reported. The reclassifications did not result in a change in the Group net result.

^(**) EBIT includes operating revenues, revenues for works on assets under concession, net of personnel costs, consumable materials, other operating costs, provisions & write-downs, costs for works on assets under concession, amortisation and depreciation and provision for restoration and replacement.

Consolidated Cash Flow Statement

	2013	2012
	(€ thousands)	(€ thousands)
Cash flow generated from operating activities		
Pre-tax profit	67,243	89,768
Adjustments:		
Amortisation & depreciation of tangible & intangible assets	49,919	45,934
Net provisions (including employee provision).....	27,773	7,289
Net financial charges.....	21,120	18,466
Investment income	(2,798)	(7,549)
Other non-cash items.....	(1,108)	(22,153)
Cash flow generated from operating activities before changes in working capital	162,149	131,755
Change in inventories.....	1,159	1,503
Change in trade receivables & other receivables.....	34,176	(2,625)
Change in other non-current assets	(2,243)	2,116
Change in trade payables & other payables.....	(28,356)	44,373
Cash flow generated from changes in working capital	4,736	45,367
Income taxes paid.....	(38,627)	(44,291)
Cash flow generated from operating activities.....	128,257	132,831
Investment in fixed assets:		
- intangible.....	(69,218)	(100,001)
- tangible.....	(12,149)	(6,113)
Dividends received.....	1,717	2,882
Cash flow generated from investing activity	(79,650)	(103,232)
Cash flow generated from the acquisition of Ali Trasporti Aerei ATA S.p.A.....	(21,570)	-
Changes in gross financial debt		
- increases / (decreases) in short-term and medium/long-term debt	81,895	114,464
- increases / (decreases) in advances on State grants.....	0	0
Decreases / (increases) in receivables for State grants	(28)	782
Share Capital increases and shareholders' equity reserves	(0)	0
Net increases / (decreases) in other financial liabilities	2,581	(342)
Dividends distributed	(88,966)	(102,789)
Interest paid	(16,139)	(11,436)
Cash flow generated from financing activity	(20,657)	679
Increase / (Decrease) in cash-and-cash equivalents.....	6,381	30,277
Cash and cash equivalents at beginning of year	54,339	24,062
Cash and cash equivalents at end of year.....	60,720	54,339

BUSINESS DESCRIPTION OF THE GROUP

Overview

SEA is a company limited by shares (*società per azioni* or *S.p.A.*) incorporated under the laws of the Republic of Italy. The Issuer is registered at the Companies' Registry (*Registro delle Imprese*) of Milan under registration and VAT number 00826040156. Its registered office is at Aeroporto Milano Linate, 20090 Segrate, Milan, Italy and the telephone number of its registered office is (+39) 02 232323.

SEA operates the Milan airports of Linate and Malpensa (the "**Milan Airports**") pursuant to a forty-year agreement entered into by and between SEA and ENAC in 2001 (the "**2001 Agreement**"). Milan Airports refers to (i) the Milan Malpensa – "Città di Milano" international airport, located approximately 45 kilometres from Milan ("**Milan Malpensa Airport**" or "**Malpensa**") and (ii) the "Enrico Forlanini" international airport, located approximately 10 kilometres from downtown Milan ("**Milan Linate Airport**" or "**Linate**").

Since December 2013, SEA has also managed the first Italian general aviation airport, located in the west apron of Milan Linate Airport.

SEA also holds an approximately 31% ownership interest in SACBO, the company that manages the Bergamo Orio al Serio Airport, located approximately 5 kilometres from Bergamo and approximately 45 kilometres from Milan, to which it is connected by road and by bus shuttle services ("**Bergamo Orio al Serio Airport**" or "**Bergamo Airport**").

The Milan Airports are among the main airports in Europe on the basis of volume of passengers and cargo traffic. They are located in one of Europe's most economically developed areas, which comprises the Italian region of Lombardy and some of the surrounding Italian regions. For the year ended 31 December 2013 Milan Airports received a total of approximately 26.8 million passengers and more than 436,000 tons of freight, accounting for approximately 51.3% of all cargo volumes in Italy.

Milan Malpensa Airport is the second largest airport in Italy by number of total movements and number of passengers (source Assaeroporti). For the year ended 31 December 2013, Malpensa had a total of approximately 17.8 million passengers, thanks to the presence of 96 carriers in 2013. In addition, Malpensa is the leading Italian airport by volume of air cargo (source Assaeroporti). For the year ended 31 December 2013, Malpensa moved 421,300 tons of cargo. On the other hand, Linate is one of the European airports located in close proximity to a major city centre (approximately 10 kilometres) and serves primarily business passengers. In 2013, Linate was the third largest airport in Italy by numbers of movements and passengers and the seventh largest by volume of cargo traffic (source Assaeroporti). For a more detailed description of the Milan Airports, see "*The Milan Airports Infrastructure*" below. During the same period, Bergamo Airport, which is the fourth largest airport in Italy by number of passengers and the third largest by volume of air cargo, managed a total of approximately 9.0 million passengers and moved 115,975 tons of cargo (source Assaeroporti).

At the Milan Airports, SEA operates in the following business segments:

- *Aviation services*, which consist of the core airport services supporting passenger and cargo activities and include the management, development and maintenance of the infrastructure and facilities of the Milan Airports, services provided to customers (comprising carriers, passengers and other companies that provide their services at the Milan Airports, such as handlers) in connection with flight arrivals and departures and airport security control services.
- *Non-aviation services*, which include a broad and diversified range of commercial services provided to passengers, carriers, meeters and greeters, other companies that operate at the Milan Airports and visitors to the Milan Airports, as well as real estate activities. SEA either

provides these services directly or outsources them to third parties by means of sub-concessions.

- *Handling services*, which are provided through a wholly owned subsidiary and include ground-handling services for aircraft, passengers, baggage, cargo and postal mail, both in the area closest to the runways (“airside”) and in the area closest to the road network (“landside”). The main services provided include passenger boarding and disembarkation, baggage and cargo loading and unloading, passenger check-in and lost and found services.
- *Energy services*, which are provided through a wholly owned subsidiary and consist of the generation of electricity and thermal energy through cogeneration plants located both at Malpensa and Linate. Such electricity and thermal energy satisfies the energy demand of the Milan Airports and any excess production is sold into the Italian market.

The following table provides a breakdown of the Group’s revenues by business segment for the years ended 31 December 2012 and 2013.

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Aviation.....	320,441	359,708	12.2
Non-aviation.....	169,088	180,588	6.8
Handling.....	107,372	95,677	(10.9)
Energy.....	35,393	21,107	(40.4)
Total operating revenue.....	632,294	657,080	3.9
Revenue for works on assets under concession ^(*)	88,662	67,000	(24.4)
Total revenue.....	720,956	724,080	0.4

^(*) This item relates to works carried out on assets under concessions, increased by a mark-up representing the remuneration of both internal costs for work management and projects realised and a mark-up that a general third party constructor would require for the same activities. This item is strictly related to the activity of assets under concessions.

For further information regarding the revenues derived from the aviation, non-aviation, handling and energy businesses, see “–*The Group’s businesses*” below.

History and key developments

From the origins of the Milan Airports to the 2001 Agreement

On 22 May 1948, SEA was incorporated in Busto Arsizio (Varese) with the name “Aeroporto di Busto Società per Azioni” pursuant to the initiative of a group of private entrepreneurs. In June 1948, the Issuer obtained the authorisation to begin work to build a civil airport on the airbase of the then military Malpensa airport. In the early 1950s, certain municipalities, including the City of Milan, and other local authorities acquired an ownership interest in the Issuer and in 1955, the Issuer assumed the current name “Società per Azioni Esercizi Aeroportuali S.E.A.”. In 1957, the Issuer began devising and implementing a project for the expansion and enhancement of Milan Linate Airport, which began operating in June 1960.

On 18 April 1962, the Italian government passed legislation formally creating an airport system for the city of Milan based on two separate but interdependent airports under a single management team, one of which (Milan Malpensa Airport) was assigned to international and intercontinental traffic, and the other (Milan Linate Airport) used for domestic and short-haul international traffic. The legislation also authorised giving both the Milan Airports the status of private airports and granted to SEA the authorisation to manage these airports until 1992.

In 1985, further legislation was enacted under which SEA was entrusted with planning and implementing the project to upgrade and expand Milan Malpensa Airport. Based on this, in 1990

SEA began implementing the project known as “Malpensa 2000” with the objective of a reorganisation of the Milan Airports.

On 4 September 2001, ENAC and SEA entered into the 2001 Agreement, which replaced Agreement 191/1962 and confirmed the status of the Milan Airports as privately operated airports. The 2001 Agreement will expire on 4 May 2041.

Alitalia De-Hubbing

At the end of March 2008, Alitalia transferred a large portion of its flights, particularly long-haul flights, from Milan Malpensa to Rome Fiumicino (the “**Alitalia De-Hubbing**”). The Alitalia De-Hubbing caused in the period 2008-2009 a significant reduction in the number of passengers and cargo activities carried by Alitalia to and from Milan Malpensa Airport.

In response to the Alitalia De-Hubbing, SEA promoted the development of new routes and frequencies by carriers already operating from Malpensa as well as the arrival of new carriers, in particular those from or with a presence in geographic regions characterised by significant economic growth.

Traffic at Milan Linate Airport was also adversely affected by the integration of Alitalia’s and AirOne’s networks, which involved a reduction of the number of flights and an increase in airfares and, together with the increased success of high-speed train services on the Milan-Rome route, caused a reduction of passengers at Milan Linate Airport in 2008. After remaining stable in 2009 and 2010, traffic started to increase again from 2011.

The ENAC-SEA Program Agreement

On 4 May 2011, the board of directors of ENAC approved the text of the program agreement (*Contratto di Programma*) submitted by SEA for the Milan Airports (the “**ENAC-SEA Program Agreement**”), which sets forth the regulated airport fee schedule to be applied by SEA, in relation to the investments to be carried out in the Milan Airports and the environmental quality and protection targets to be met by the Milan Airports. The ENAC-SEA Program Agreement is an “in-derogation” program agreement, which is a program agreement that, in accordance with applicable Italian law, provides for some exceptions to the ordinary regime for the regulated business of airport operators. The “in-derogation” regulatory regime (including the regulated fee regime) set forth in the ENAC-SEA Program Agreement will apply until the expiration of the 2001 Agreement on 4 May 2041. The ENAC-SEA Program Agreement entered into force on 23 September 2012. For further detailed information, see “*Regulation*”.

The Group’s strengths

Strategically advantaged location: gateway to Northern Italy

The Milan airport system is among the leading Italian and European airport systems: in 2013 it was the second largest in Italy and the ninth largest in Europe by number of passengers, as well as the largest in Italy and the sixth¹ largest in Europe by cargo traffic (sources Assaeroporti for Italy and ACI Europe for Europe).

The Group benefits from the favourable geographical location and catchment area of the Milan Airports, which is characterised by the presence of significant industrial activities and a developed service sector, supported by a logistics infrastructure that assists the development of economic activities. The catchment area of the Milan Airports is one of the most economically and industrially developed areas in Europe and includes the region of Lombardy.

¹ Excluding mainly cargo and courier airports.

In addition, the geographic positioning of the Milan Airports is enhanced by:

- their location along some of the main development lines of the trans-European transport networks, or TEN-t, which seek to facilitate the movement of people and goods between the west and the east, not only within Europe but also to and from the Middle East and the Far East; and
- their accessibility and their geographic locations within the catchment area: Milan Linate Airport is one of the European airports located in closest proximity to a city centre. The city centre of Milan is approximately 10 km away, while several road and rail links connect Milan Malpensa Airport to Northern Italy.

In addition, the several infrastructure projects that various third parties are planning or implementing to improve the road, rail and metro networks of Northern Italy could help expand the already extensive catchment area of the Milan Airports as well as further improve accessibility to such airports. See “—*The Milan Airports—Geographic location and catchment area of the Milan Airports*” below.

Resilient traffic volumes despite adverse events

Notwithstanding the Alitalia De-Hubbing and major economic downturn, in the 2009-2013 period, the Milan Airports registered an increase in terms of passenger and cargo traffic (on average of 1.1% and 5.9%, respectively), while other European peripheral countries suffered a decrease of passenger traffic (on average of 1.3%) and registered a lower increase in cargo traffic (on average of 1.4%). In the same period the main European airports registered an average increase of passengers of 1.5%, and an increase of cargo of 1.9%.

Broad portfolio of carriers and destinations served

The Group benefits from a broad and diversified mix of carriers that operate from the Milan airports. As of 31 December 2013, no carrier represented more than 25% of the total passenger traffic of the Milan Airports (28.2% as of 31 December 2012) and there was a significant presence of both low cost carriers and other carriers, equal to 31.3% (29.2% as of 31 December 2012) and 68.7% (70.8% as of 31 December 2012) of total passenger traffic of the Milan Airports, respectively.

The Milan Airports offer a broad and diversified portfolio of destinations and frequencies. As of 31 December 2013, the Milan Airports served 182 destinations (187 as of 31 December 2012), of which 71 were intercontinental (78 as of 31 December 2012). In addition, this destination portfolio continues to expand on a regular basis, particularly with the addition of new destinations to and from the Middle East and the Far East, which represent areas with significant potential for passenger and cargo traffic growth. In particular, as of 31 December 2013, the Middle East and the Far East represented 51.3% of total intercontinental passenger traffic and 49.4% of total intercontinental cargo traffic at the Milan Airports.

Diversified revenue mix with particular growth potential for non-aviation and cargo services

The Group has a balanced mix of revenues from its businesses: SEA earns income from a variety of sources including charges from carriers for aeronautical services, sub-concession fees from retail and F&B operators, revenues from car parking and advertising, fees for handling services and for the sale of electrical and thermal energy, as well as leases of the airport premises. For the year ended 31 December 2013, aviation, non-aviation, handling and energy accounted for 49.7% (44.4% for the year ended 31 December 2012), 24.9% (23.4% for the year ended 31 December 2012), 13.2% (14.9% for the year ended 31 December 2012) and 2.9% (4.9% for the year ended 31 December 2012) of total revenues of the Group (after inter-segment eliminations), respectively.

Non-Aviation business potential value

At airports such as Malpensa and Linate, revenues from non-aviation business represents a significant part of total revenues, growing at a faster pace than traffic volumes and producing high profit margins.

SEA believes that retail revenues will increase as a result of the increase in average spending per passenger, which in turn are a consequence of the growing presence of appealing fashion brands, particularly after the opening of the new commercial areas in 2015.

Operational excellence and modern infrastructure and facilities

The Milan Airports can rely on a system of runways, taxiways and other related airport infrastructure and facilities that are state of the art and capable of accommodating all of the different types of aircraft currently in service, including, in the case of Milan Malpensa Airport, the Airbus A380. See “–*The Milan Airports*” below.

In the short term the current configuration of the infrastructure of Milan Linate Airport and, above all, Milan Malpensa Airport, can accommodate the expected growth in the volume of air traffic. In addition, the Issuer believes that the current and planned infrastructure investments will enable Milan Malpensa Airport to further increase its capacity to handle growing traffic volumes.

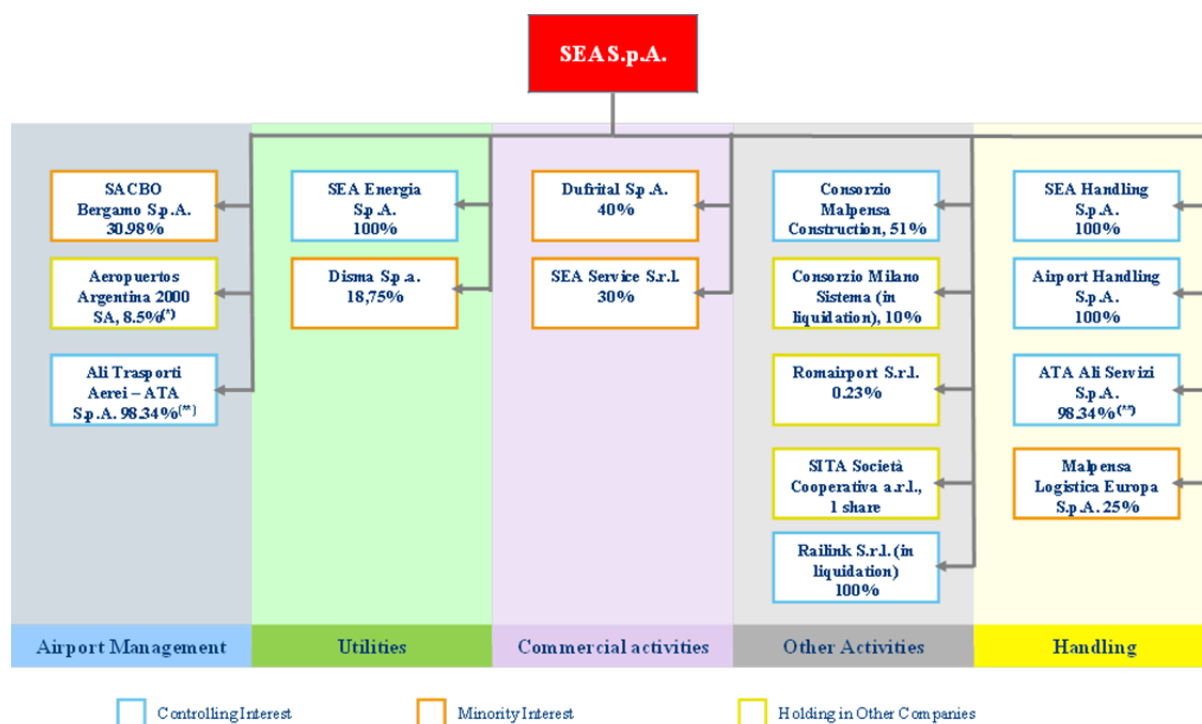
In the Issuer’s opinion, the international quality certifications received for the Milan Airports (including ISO 9001, ISO 14001 and ISAGO) confirm the operational reliability of such airports and the high quality of the services they provide.

Solid economic and financial performance

Notwithstanding the adverse impact of the Alitalia De-Hubbing, the global economic and financial crisis and the difficult conditions of the global aviation industry, at the operating level the Group has been able to react to material adverse events and circumstances through its ability to revise and adapt its strategy and its ability to attract new carriers and develop new business initiatives in addition to those in the traditional aviation business.

Description of the Group

The following chart sets forth the entire structure of the Group and the companies in which SEA holds an interest as at the date of this Prospectus.



(*) On 30 June 2011, SEA and Cedicolor S.A. entered into an agreement in which SEA agreed to sell its remaining ownership interest in Aeropuertos Argentina 2000 S.A. or AA2000, subject to approval from *Organismo Regulador del Sistema Nacional de Aeropuertos*, the Argentinean airport regulator, which has not been issued yet as of the date of this Prospectus.

(**) Companies acquired on 18 December 2013; ATA Ali Servizi S.p.A. is a fully owned subsidiary of Ali Trasporti Aerei ATA S.p.A.

The Group's businesses

The Group engages in the following principal businesses, which also correspond to its business segments:

- **Aviation:** core airport services supporting commercial aviation (passenger and cargo traffic);
- **Non-aviation:** commercial services provided to passengers and other users of the Milan Airports;
- **Handling:** ground-handling services for aircraft, passengers, baggage, cargo and postal mail; and
- **Energy:** generation and sale of electricity and thermal (both heating and cooling) energy.

The following table sets forth the breakdown of the Group's revenues by business segment on a stand-alone basis and after elimination of intra-group transactions in each of the years ended 31 December 2012 and 2013.

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Aviation.....	320,441	359,708	12.2
Non-aviation.....	169,088	180,588	6.8
Handling.....	107,372	95,677	(10.9)

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Energy	35,393	21,107	(40.4)
Total operating revenue.....	632,294	657,080	3.9
Revenue for works on assets under concession	88,662	67,000	(24.4)
Total revenues.....	720,956	724,080	0.4

Aviation

The aviation segment comprises all of the regulated services provided by SEA at both Milan Malpensa Airport and Milan Linate Airport.

SEA provides these services at the Milan Airports on an exclusive basis pursuant to applicable Italian laws and regulations. The revenue generated from the provision of these services consists of fees and other charges that are determined pursuant to the ENAC-SEA Program Agreement. Such fees are referred to as regulated fees.

The following table sets forth the breakdown of aviation revenues by type of services provided.

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Centralised infrastructure and rights	239,775	296,194	23.53
Operating revenues from security controls	51,691	46,161	(10.7)
Use of regulated spaces	17,656	12,553	(28.9)
Free asset transfer ^(*)	11,319	4,800	(57.6)
Total aviation operating revenues	320,441	359,708	12.2

(*) In 2012 and 2013 some BOT (Build Operate Transfer) contracts between SEA and airport operators expired and SEA acquired for free two buildings located at the Milan Malpensa Airport.

The following sub-sections describe in greater detail the aviation services provided by SEA, including the regulations relating to the determination of the applicable fees for such services.

Management, maintenance and development of the infrastructure and facilities of the Milan Airports

Services relating to the management, maintenance and development of the infrastructure and facilities of the Milan Airports (including passenger terminals, flight infrastructure and aircraft parking areas) consist of operating and providing passengers and other users with access to such infrastructure and facilities, maintaining and developing such infrastructure and facilities for purposes of their refurbishment, expansion and upgrade, as well as ensuring compliance with applicable laws and regulations.

In consideration for providing these services, SEA charges and receives airport fees, both as rights and as compensation for centralised infrastructure and regulated spaces, determined pursuant to applicable law and regulations.

In particular, revenues related to rights are defined as follows:

- *Aircraft fees* (including landing, take-off and parking). Subject to certain exemptions under applicable law, such fees are payable for all aircraft landings and take-offs and are calculated on the maximum take-off weight allowed for each aircraft, which is listed in the certificate of airworthiness of each aircraft and is referred to as the Maximum Take-Off Weight, or MTOW. Pursuant to the ENAC-SEA Program Agreement, airport fees also include the use by aircraft of some centralised infrastructure (including the centralised aircraft power systems located in remote aircraft parking areas and in the loading bridges, the aircraft de-icing system and the centralised information systems for carriers).
- *Passenger fees*. These fees relate to the use of infrastructure, equipment and shared facilities that are necessary for passenger boarding, disembarkation and assistance, are calculated at a fixed rate per passenger and also apply to passengers who use private jets and tourist aircraft.

Pursuant to the ENAC-SEA Program Agreement, passenger boarding fees also include some centralised infrastructure (including the Baggage Handling System, the centralised information systems for passengers and the public and the Common User Terminal Equipment (CUTE), which is an interface system that connects each carrier with its own central IT centre, or host).

- *Cargo fees.* Cargo fees are payable by individual carriers and are subject to certain exemptions under applicable law. The fees are payable for all aircraft landings and take-offs, are based on cargo weight and are set pursuant to applicable regulations.
- *Loading bridge fees.* For the use of loading bridges, the Issuer may charge carriers the regulated fees that are set forth for such use in the ENAC-SEA Program Agreement.

Security controls and other airport security

Under Italian law airport operators may provide, directly or indirectly, or outsource to third party service providers that meet the applicable regulatory requirements, security services relating to airport facilities and infrastructure.

The concession granted to an airport operator for the provision of security services is required to have the same term as that of the concession or authorisation relating to the operation of such airport.

The security services provided by the Group consist of screening of departing or in transit passengers and x ray control of carry-on baggage and of hold baggage.

Non-aviation

The non-aviation business consists of the provision of services that complement and support the aviation business, including:

- retail services, including duty free and duty paid sales to customers, food and beverage, car rentals, advertising and management of commercial premises used by third parties to provide banking services at the Milan Airports;
- car parking management services;
- cargo area management services; and
- other services, which constitute the Group's "services and other revenue" line item, including advertising, ticketing services, equipment maintenance services and real estate services.

The following table sets forth the breakdown of non-aviation revenues by main type of services for each of the years ended 31 December 2012 and 2013.

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Retail.....	71,132	73,590	3.5
Cargo areas.....	10,830	11,120	2.7
Services and other revenue.....	31,485	33,728	7.1
Advertising.....	10,166	9,726	(4.3)
Car Parking.....	46,442	52,424	12.9
Total operating revenue from non-aviation operations.....	169,088	180,588	6.8

In the last few years, SEA has been continuously increasing its focus on developing and growing its non-aviation business in line with its B2C commercial policy, which is aimed at satisfying the needs and demands of end customers. The following is an overview of the initiatives undertaken by the Issuer for some of the main categories of its non-aviation services:

- *Retail:* Expansion and upgrading of the areas available for commercial use at the Milan Airports in order to facilitate access to, as well as stimulate interest in and demand for, the commercial areas located within the Milan Airports by passengers and customers.
- *Food and beverage:* As part of the Group's policy to work together with third parties that provide retail services at the Milan Airports, introduction of some innovative concepts for the sale of food and beverage products at the Milan Airports, refurbishment and upgrading of the dining areas at the airports and broadening of the brand portfolio by adding well-known brands.
- *Advertising:* Despite the decrease in advertising activities resulting from the global economic crisis, introduction of innovative forms of advertising and advertising media that in the Issuer's opinion can foster advertising campaigns with a strong impact.
- *Car parking:* Broadening and improvement of the offering of car parking services at the Milan Airports both in quantitative terms, by managing car parking areas on sites outside of the Milan Airports, and in qualitative terms, by introducing car parking areas that cater to the different types of car parking service needed by the various segments of the Group's diversified customer base and by providing the most innovative reservation and payment methods.

For the non-aviation services not provided directly, SEA enters into contracts with independent contractors under which it outsources the provision, organisation and management of these services and provides such third parties with the necessary commercial space to undertake these services.

The following is a more detailed description of non-aviation services.

Retail

Retail services consist primarily of shops (duty free and duty paid), food and beverage, car rentals and banking outlets at the Milan Airports. These services are not provided directly, but the Issuer grants the use of commercial spaces within the Milan Airports to third parties that provide such services.

The following table sets forth the breakdown of the Group's revenues from retail services by main category of retail service in each of the years ended 31 December 2012 and 2013.

(in thousands of Euros)	For the years ended 31 December		
	2012	2013	% change
Shops	35,373	37,039	4.7
Food and Beverage.....	15,923	16,174	1.6
Car rental	12,761	12,491	(2.1)
Others(*)	7,076	7,886	11.4
Total revenue from retail services.....	71,132	73,590	3.4

(*) The "Others" line item includes banking services at the Milan Airports.

Shops

The Milan Airports offer a broad range of brands and products that cater to the different needs and preferences of the various types of passengers and other users of such airports. In particular, the Group's general retail services seek to satisfy the needs and preferences of passengers and other users with varying levels of income and or limited time available for shopping and offer longer opening hours than shops located in the city of Milan, as well as a broad range of product categories and prices in a concentrated area.

The stores located inside the passenger terminals of the Milan Airports offer both duty-free products, which are products that are exempt from VAT and excise duties, and duty-paid products, which are subject to VAT, excise duties and other applicable taxes.

The Group does not provide retail services directly, but grants sub-concessions to provide these services within the Milan Airports to third parties, including Dufrital, a company that operates duty-free and duty-paid airport shops for various products in various market segments at Italian Airports, including the Milan Airports, in which the Issuer holds a 40% stake, while Dufry, a leading airport retail operator, holds the remaining 60%.

As of the date of this Prospectus, at the Milan Airports there were 145 points of sale, covering a total of 13,494 square metres, of which 9,879 square metres were at Milan Malpensa Airport (7,704 square metres at Milan Malpensa 1 and 2,175 square metres at Milan Malpensa 2) and 3,615 square metres at Milan Linate Airport.

Food & beverage

The Milan Airports offer to passengers and other users a broad range of food & beverage services, including restaurants with table service, self-service restaurants, snack bars and cafes, fast food restaurants, wine bars and specialty food corners, as well as well-known international and Italian brands.

Food and beverage services at the Milan Airports are not provided directly, but through sub-concessions.

As of the date of this Prospectus, at the Milan Airports there were 64 food and beverage outlets for a total of 10,543 square metres, including 7,592 at Milan Malpensa Airport (5,854 square metres at Milan Malpensa 1 and 1,738 square metres at Milan Malpensa 2) and 2,951 square metres at Milan Linate Airport.

Car Rentals

SEA has granted sub-concessions to car rental companies under which these companies may use designated areas of the Milan Airports to provide car rental services. As of 31 December 2013, the Group had agreements in force with all main European car rental companies, which operate both at Malpensa and Linate.

Financial services

SEA has granted sub-concessions to banks and other specialised third parties in order to provide banking and financial services to passengers and other users of the Milan Airports. Such services include, *inter alia*, currency exchange, ATM and VAT refund for non-EU citizens.

Car parking

Car parking services are provided at the Milan Airports both directly and under management contracts. Starting from 1 February 2014 the Issuer, in cooperation with APCOA Parking Italy S.p.A. (“**APCOA**”), a specialist third party operator, manages directly also all of Orio Al Serio Airport’s car parking on the basis of a six year contract ending in 2020.

Advertising

The Milan Airports are an important location for advertising fashion and luxury brands, particularly given the general trend towards a reduction of investment in traditional advertising spaces. This is due to the fact that innovative forms of communication have been introduced in both Milan Malpensa Airport and Milan Linate Airport, such as giant screens and advertising focused on specific targets through SEA’s web site. This has also strengthened the relationship with the main sub-concession holders operating at the Milan Airports.

Cargo areas

Cargo area management services consist of the management and operation of space (including offices and warehouses) and areas (including covered or uncovered areas to be used as shelter, storage or

garage areas for vehicles and equipment and car parking spaces) used by operators that provide, for themselves (self-handling) or others, the service of handling and storage of incoming and outgoing cargo and mail, whether by air or by road.

As of the date of this Prospectus, the main cargo operators are Malpensa Logistica Europa, a warehouse management company in which the Issuer holds an ownership interest of 25% (present both at Malpensa and Linate), ALHA S.p.A., active in Malpensa, Federal Express and TNT Global Express, both providing courier services and operating, respectively, at Malpensa and Linate.

With reference to Milan Malpensa Airport, SEA has executed long term contracts with major logistics operators (Beta Trans and SFS/WFS) for the use of new warehouses covering about 15,000 square metres and that will allow Milan Malpensa Airport to handle an additional 150,000 tons. The construction of the new warehouse will start in the course of 2014 and will be fully operating by April 2016.

Services and other revenue

The Issuer’s non-aviation services included in “Services and other revenue” primarily consist of (i) advertising, not managed directly by SEA but by a specialised third-party provider of advertising services, pursuant to a multiannual contract recently renewed, through which advertising spaces are sold inside and outside the passenger terminals and on boarding passes and transfer buses; (ii) premium services and other revenues, which comprises revenues derived from lounges and VIP services, some real estate activities, hotel services and spaces leased to public authorities.

Handling (ground handling services)

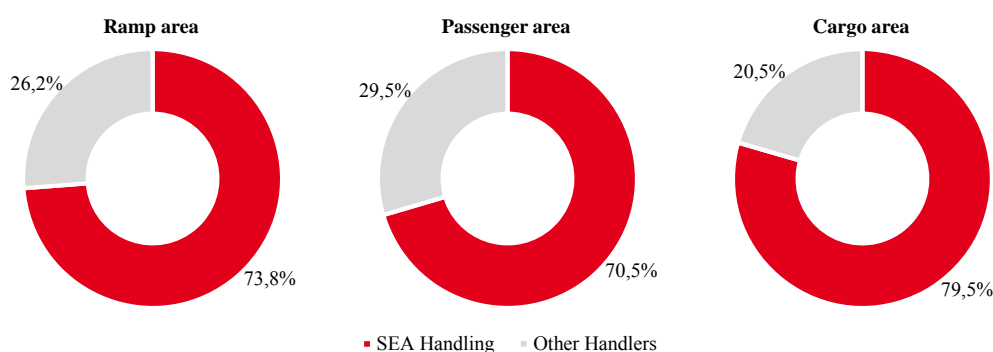
The Issuer’s handling services include all ground handling services for aircraft, passengers, baggage, cargo and mail provided through a subsidiary operating at the Milan Airports in a totally liberalised market.

The Group is also active in the airport logistics business through a 25% shareholding in Malpensa Logistica Europa.

For the years ended 31 December 2012 and 2013, the Group’s revenues from handling services amounted to Euro 107,372 thousands and to Euro 95,677 thousands respectively.

Handling services include ramp, passenger and cargo services provided both airside and landside.

The following graph illustrates the Group’s market share for each of its ramp, passenger and cargo services at the Milan Airports in the year ended 31 December 2013.



Energy

Energy services consist of the generation of electricity and thermal (heating and cooling) energy from the gas-fired cogeneration power plants located at each of the Milan Airports. In particular, such electricity and thermal energy is used to satisfy the energy demand of the Milan Airports and any electricity and thermal energy that is in excess of such demand is sold into the energy market.

For the years ended 31 December 2012 and 2013 the Group’s revenues from the Energy segment amounted to Euro 35,393 thousands and to Euro 21,107 thousands.

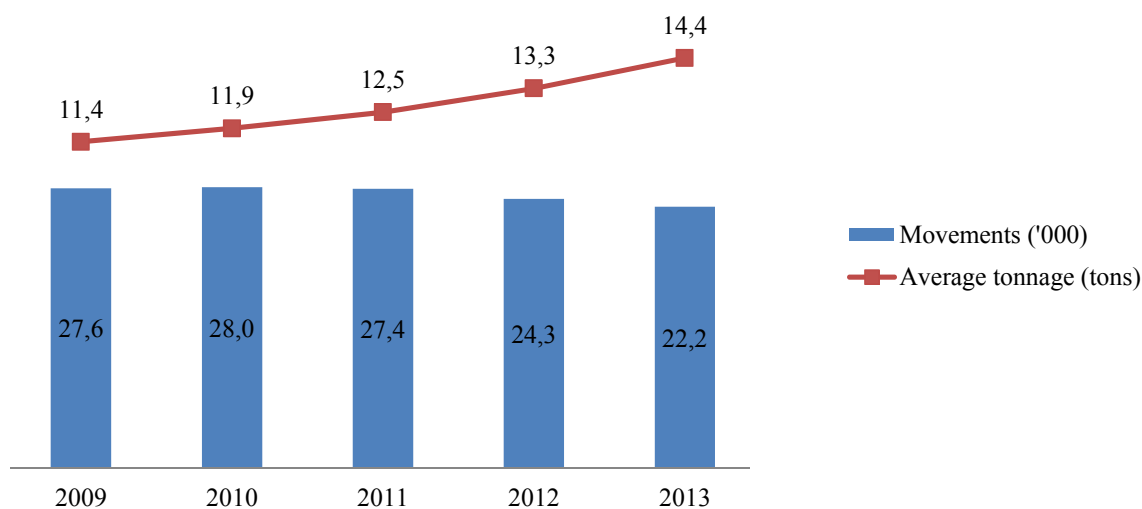
General Aviation Services

General Aviation Services consist of the management and organisation of the Linate west apron, which is fully dedicated to general aviation flights, primarily for private air travellers. At Milan Linate Airport, such services are provided by ATA Ali Trasporti Aerei, in which the Issuer has a 98.3% shareholding.

For the year ended 31 December 2013, Linate west apron registered 22,200 movements and 48,600 passengers, making it the busiest general aviation airport in Italy, and the seventh busiest general aviation airport in Europe. Linate west apron is the base for a variety of customers, including a number of the leading Italian operators (such as Sirio, Alba, Gruppo Fininvest and TopJet), and is characterised by business passenger traffic with significant peaks during high profile events in the Milan calendar, such as Salone del Mobile, Milan Fashion Week, and major sporting events.

The Issuer believes that Linate west apron will be an important gateway for passengers travelling to Milan for EXPO 2015.

The following graph sets out the performance of Linate west apron for the period 2009–2013 in terms of numbers of movements and average tonnage per aircraft, that are in line with a trend which characterised European general aviation during the same period: a significant increase of the aircraft average tonnage and a consequent decrease in the number of movements.



In 2013, Linate general aviation traffic was primarily European (52.1% of the airport’s total movements), with intercontinental equal to 4.7%.

General Aviation Services include also commercial activities such as rental of hangars and offices and re-fueling activities at Linate west apron and Venice airport. Through ATA Ali Servizi, fully owned by ATA Ali Trasporti Aerei, ground handling services in general aviation are managed at Linate west apron, Rome Ciampino, Venice airport, Catania airport and Milan Malpensa Airport.

The Milan Airports

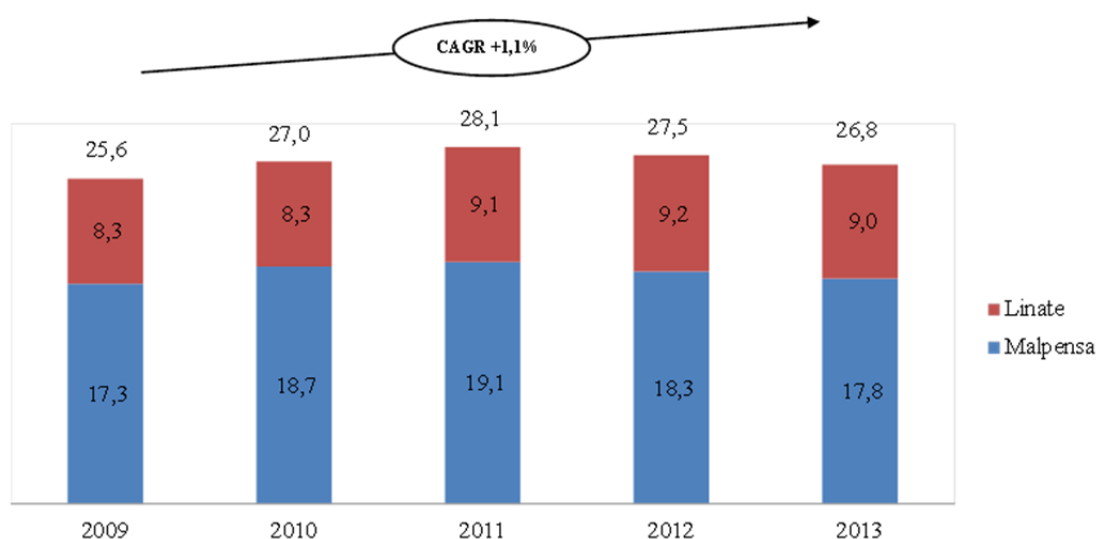
According to the Airports Council International Europe and the national association of Italian airport industry (“**Assaeroporti**”), for the year ended 31 December 2013, SEA was the second largest airport

operator in Italy and the ninth largest in Europe based on the number of passengers of the Milan Airports, as well as the largest in Italy based on cargo traffic at such airports and the sixth² largest airport operator in Europe for cargo traffic.

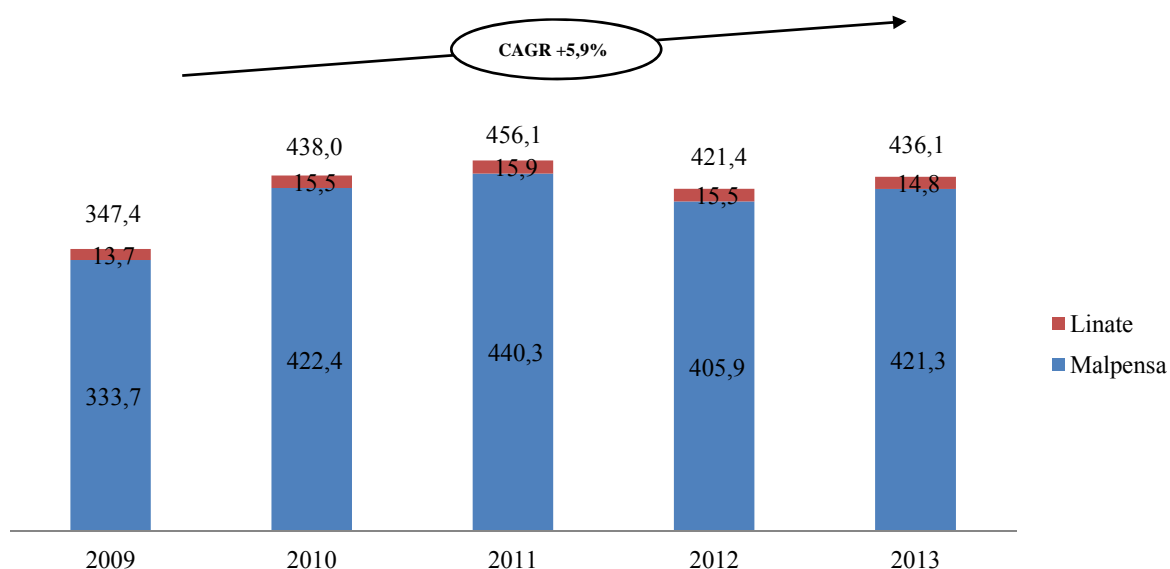
In the last five years, passenger and cargo traffic at the Milan Airports slightly increased (on average by 1.1% and 5.9% each year, respectively) even if affected by some extraordinary events, such as the Alitalia De-Hubbing at Malpensa and the international economic downturn, particularly significant in peripheral European countries.

Traffic data included in this Prospectus does not include direct transit passengers, general aviation movements (other than in the section entitled “–General Aviation Services” above) and postal mail.

Milan Airports- passenger traffic 2009 – 2013 (million of passengers)



Milan Airports- cargo traffic 2009 – 2013 (thousands of tons)



² Excluding mainly cargo and courier airports.

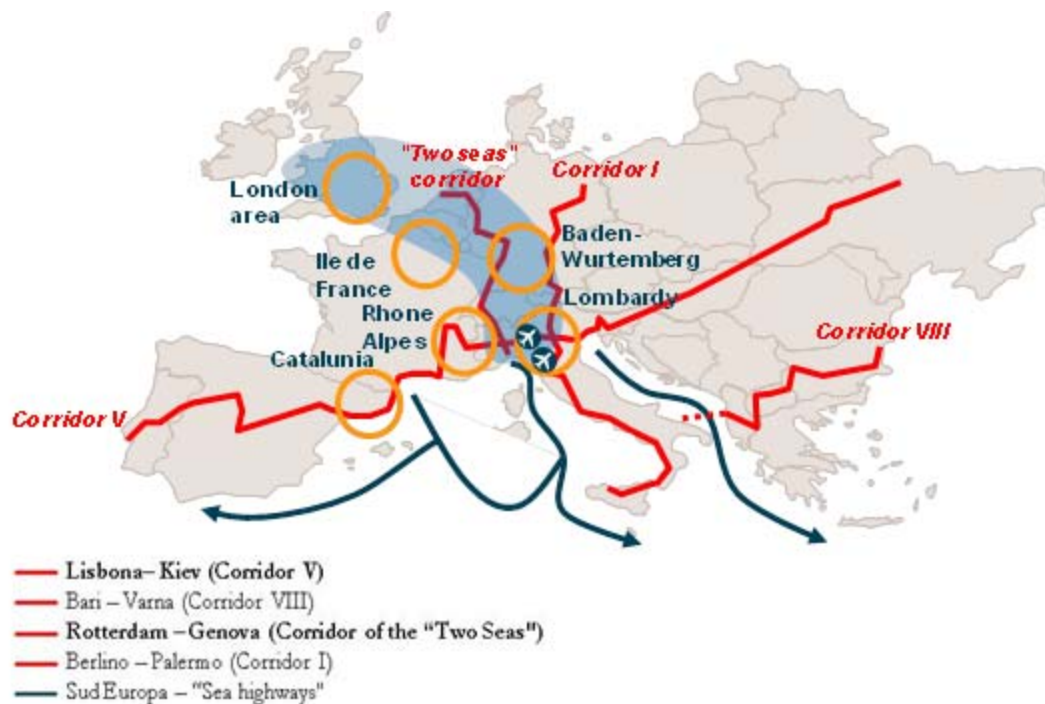
During the same period passenger traffic at Milan Malpensa Airport was adversely affected by the global economic and financial crisis, by the ceasing of Lufthansa Italia operations in late 2011 and the geopolitical turbulence in North Africa. However, the impact of such adverse factors was offset by the positive impact of the arrival of new carriers, mainly from emerging markets, and by the increase of flights and destinations made by some of the carriers already operating at Milan Malpensa Airport. Both these positive aspects were favourably affected by the revision of some important bilateral agreements which regulate the number of flights and destinations offered by non-EU carriers.

In the 2009–2013 period, traffic at Milan Linate Airport benefited from the arrival of new carriers, the airfare policy adopted by some other carriers and the expansion in activity at Linate of some important European carriers. These positive events were partially offset by the global economic and financial crisis which had a greater impact on the business traffic segment on which the airport primarily relies. In the same period, the Milan Linate Airport has also experienced the adverse effects of both increased competition from the high-speed trains on the Milan-Rome route since early 2009 and the integration of Alitalia's and AirOne's networks following the merger between the two Italian carriers.

Geographic location and catchment area of the Milan Airports

The Milan Airports are located in one of Europe's most economically developed areas, which comprises the Italian region of Lombardy and some of the surrounding Italian regions. These regions are in turn part of the so-called "Blue Banana Area" (the shaded area of the diagram below), which extends from London to Milan and Genoa and is a bridge between the Mediterranean region and Continental Europe.

In addition, the geographic positioning of the Milan Airports is enhanced by its location along some of the main development lines of the trans-European transport networks (known as "TEN-T"), which seek to facilitate the movement of people and goods between the West and East, not only within Europe but also to and from the Middle East and the Far East. More specifically, the Milan Airports are located near two major roadways and railways outlined under the EU program of infrastructure development related to the above trans-European transport networks: Corridor 5, between Lisbon and Kiev, and Corridor 24 (the "Corridor of the Two Seas"), between Rotterdam and Genoa, which connect Eastern Europe with Western Europe and Northern Europe with Southern Europe and the Mediterranean, respectively. The following graph illustrates such geographic positioning of the Milan Airports.



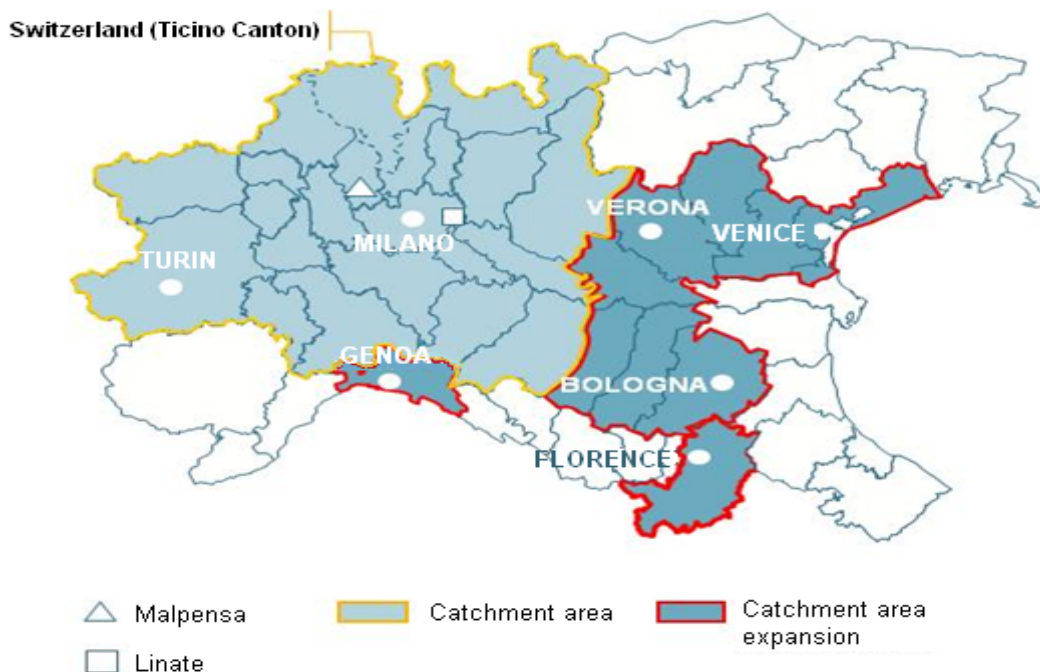
SEA defines the catchment area of the Milan Airports as the geographic area from within which it is possible to reach the Milan Airports in up to two hours by ground transportation, including high frequency forms of ground transportation. The advantageous location of the Milan Airports is confirmed by the fact that their catchment area is also characterised by the presence of significant industrial and service sector activities, which are supported by a logistics infrastructure that promotes the development of economic activities. The following table sets forth some key demographic and economic data relating to SEA's catchment area, based on 2013 data from the Italian National Statistical Institute (*Istituto Nazionale di Statistica – ISTAT*).

	Catchment Area (*)	% of Italy
Surface (sq. km).....	49,324	16.4
Population.....	14,310,655	24.1
Number of businesses in operation.....	1,234,205	23.8
GDP (million EUR).....	471,601	29.8
Employed population.....	6,233,787	27.8
Export (million EUR).....	144,262	38.4
Imports (million EUR).....	155,363	38.8

(*) The catchment area of the Milan Airports included the following provinces: Sondrio, Bergamo, Brescia, Cremona, Como, Varese, Lecco, Lodi, Milan, Pavia, Piacenza, Monza and Brianza, Parma, Novara, Biella, Verbania, Vercelli, Turin, Asti, Alessandria and Aosta.

The catchment area of the Milan Airports includes the entire territory of the region of Lombardy, in which both Milan Malpensa Airport and Milan Linate Airport are located. Accordingly, Lombardy constitutes the most significant part of the catchment area of SEA. According to Eurostat, in 2011, Lombardy, which has a surface area of 23,861 square kilometres, reported, a gross domestic product, or GDP, of approximately Euro 337.2 billion (equal to 21.3% of Italy's total GDP), placing it in second place among the catchment areas of European airports, immediately after Île de France – Paris (with a GDP equal to Euro 608.6 billion), and ahead of Inner London (with a GDP equal to Euro 276.3 billion), Madrid (with a GDP equal to Euro 188.4 billion), and Frankfurt (with a GDP equal to Euro 160.3 billion). According to Lombardy Region data, in 2013, the population exceeds 9.7 million inhabitants and density of operating businesses is more than 34.4 per square kilometre.

The Issuer expects that, if all the projects contemplated are completed, the expansion of railway links and road infrastructure (including the construction of the Brescia-Bergamo-Milan motorway, known as Brebemi, and the Pedemontana motorway) is expected to result in the expansion of the catchment area of the Milan Airports by approximately 27,000 square kilometres and more than 8 million inhabitants and, as a result, an increase in the number of companies included in the catchment area to almost two million. In particular, the catchment area is expected to be expanded to include the provinces of Venice, Padua, Verona, Vicenza, Mantua, Bologna, Modena, Reggio Emilia, Genoa and Florence, which are also served by other airports. The following map shows the potential expansion of the catchment area of the Milan Airports upon completion of the expansion of the motorway and railway networks.



The Milan Airports' capacity

In Italy, the capacity of an airport is determined by ENAC. ENAC takes into account the inputs received from the airport operator and ENAV. In particular, capacity is determined for each airport based on: (i) the air navigation plan, which reflects ENAV's capabilities to manage and control air traffic, (ii) such airport's runway system and related infrastructure (in particular, apron and terminal facilities), (iii) traffic demand factors and (iv) environmental constraints (such as noise reduction measures and suspension of night time flights).

As of the date of this Prospectus, the Milan Airports' total capacity, as determined by ENAC after taking into account all the applicable factors, is equal to a total of 88 movements/hour and is allocated between the two airports as follows:

- *Milan Malpensa Airport:* 70 movements/hour (take-offs and landings combined); and
- *Milan Linate Airport:* 18 movements/hour (take-offs and landings combined). This limit was determined by decree (see "*Regulatory Framework*"): Linate's infrastructure and facilities are in fact capable of handling a capacity of approximately 32 movements/hour.

The Milan Airports infrastructure

Milan Malpensa Airport

According to Assaeroporti, as of 31 December 2013 Milan Malpensa Airport was the second largest airport in Italy by number of total movements and number of passengers, respectively equal to 160,700 and 17.8 million per year. Milan Malpensa Airport was the leading Italian airport by volume of air cargo, experiencing a 3.8% increase in cargo traffic compared to the year ended 31 December 2012.

At the end of 2013, Milan Malpensa Airport represented 12.7% of total movements, 12.4% of total passenger traffic and 52.6% of total cargo traffic in Italy.

Motorway and railway connections

Transport links between Milan Malpensa Airport and the city of Milan are provided by a road network and a railway line that links two of Milan's main railway stations (Milan Cadorna and Milan Centrale) to a station located inside Milan Malpensa 1 (130 trains per day to and from Malpensa). In addition, over the next few months a further development of this railway line, linking Milan Malpensa 1 to Milan Malpensa 2, is expected. Construction works are expected to last approximately 18 months.

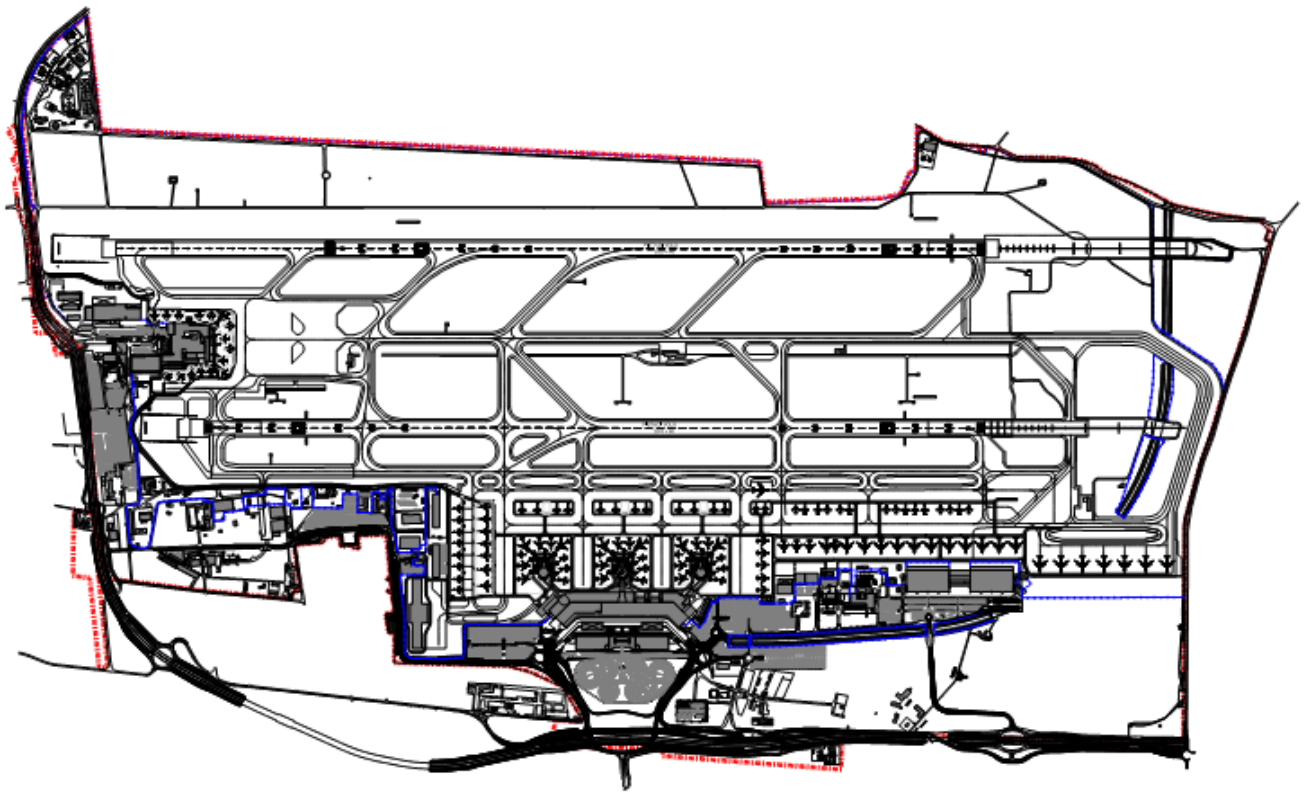
Airport layout

Milan Malpensa Airport covers a total area of approximately 1,220 hectares situated about 48 kilometres northwest from the city centre of Milan, which is connected by rail (including a direct service with no intermediate stops that takes 29 minutes), as well as through a network of highways and other roads that connects Milan Malpensa Airport with the main towns of Northern Italy and Switzerland.

Milan Malpensa Airport consists of two passenger terminals, which cater to different types of passenger traffic, and a cargo terminal. In particular:

- *Milan Malpensa 1* is dedicated to business and leisure travellers on domestic, international and intercontinental routes, with designated areas for scheduled and charter carriers;
- *Milan Malpensa 2* is dedicated to high-end low-cost traffic; and
- *Milan Malpensa Cargo* is entirely dedicated to cargo traffic.

The following illustration sets out the layout of Milan Malpensa Airport and its main facilities.



Flight infrastructure

As of 31 December 2013, Milan Malpensa Airport has two parallel runways for landing and take-off that are 808 metres apart from each other, are 3,920-metres long each and are authorised for use by all commercial aircraft currently in service. These runways are not set up for independent parallel approaches by aircraft. The operations of the two runways are not subject to any curfew.

The runways and connecting taxiways are equipped with lighting systems to support landings, take-offs and taxiing as well as radio-equipment for instrument landing, which is owned and managed directly by ENAV. Such systems are generally used in large airports, such as Milan Malpensa Airport, to make aircraft operations possible when visibility is limited.

As of 31 December 2013, Milan Malpensa Airport had approximately 19.4 kilometres of taxiways (28.5 kilometres including the taxiway paths on the aprons) and 203 parking bays for aircraft (with a maximum capacity of 155 aircraft parked at the same time), of which 111 are adjacent to Milan Malpensa 1 (including 4 parking bays in the maintenance apron), 43 to Milan Malpensa 2 and 49 to Milan Malpensa Cargo, occupying a total surface of approximately 1.4 square kilometres.

Milan Malpensa Airport is equipped with a system that manages aircraft traffic on the airport's aprons where aircraft are parked and a taxiway system that connects its two runways as well as such runways and the aprons and facilitates aircraft movements in connection with take-offs and landings.

Passenger terminals

Milan Malpensa Airport has two terminals for passengers:

- *Milan Malpensa 1*, which has operated since October 1998 and is dedicated to national, international, intercontinental, charter and scheduled flights traffic. Milan Malpensa 1 was built with a modular layout and consists of a main unit and three satellites equipped with passenger loading bridges. The three satellites are connected to the main unit of the terminal

by tunnels for arriving and departing passengers and a covered walkway for baggage handling. The south satellite is used for flights to and from Schengen countries (*i.e.* 27 European countries that signed the Schengen agreement concerning the abolition of passport or any other type of border control between their common borders), while the other two satellites (central and north) are used for flights to and from all other destinations. As of the date of this Prospectus, the works for the expansion of Milan Malpensa 1 are still in progress. On completion of these works, scheduled to be completed in 2015, an additional 90,000 square metres of space will be added, of which over 65,000 square metres will be dedicated to passengers and commercial activities.

- *Milan Malpensa 2*, which is dedicated to high-end low-cost traffic. As of the date of this Prospectus, Milan Malpensa 2 occupied a total area of 56,000 square metres (including approximately 33,000 square metres open to the public). Approximately 16.3% of the surface of Milan Malpensa 2 that is open to the public is dedicated to the exercise of commercial activities.

Cargo area

As of 31 December 2013, the cargo area of Milan Malpensa Airport had a capacity of between 500,000 and 560,000 tons of cargo, was located exclusively at Milan Malpensa Cargo and consisted of:

- two side buildings used as cargo warehouses with a total area of approximately 50,000 square metres, of which 14,800 square metres are dedicated to offices for cargo handlers; and
- a central building with six levels with a total area of approximately 16,200 square metres, of which approximately 7,200 square metres are occupied by offices intended for transportation companies, banks, a food area and a post office.

SEA plans to increase the cargo processing capacity of Milan Malpensa Airport by developing the infrastructure and facilities of the airport dedicated to this business. In particular, the Issuer plans to build new facilities for the storage and transit of cargo consisting of warehouses, some of which are expected to be directly connected to the apron. Upon completion of these new facilities, the cargo processing capacity at Milan Malpensa Airport is expected to increase to more than 1,000,000 tons/year. As part of the construction of the new facilities, by the end of 2013 the roofing of the railway crossing and all urbanisation works (road system, links to water, sewage, electricity and gas network) were completed. In addition, in order to create dedicated areas for all-cargo flights, increase the cargo handling capacity of the airport and reduce the distance between the aircraft parking bays and the airport facilities where cargo is handled, the Issuer built a new dedicated apron.

Other infrastructure

Hangar

Milan Malpensa Airport has a hangar for the housing and maintenance of aircraft that also includes some office space. As of 31 December 2013, this infrastructure consists of a main building of approximately 7,000 square metres dedicated to sheltering the aircraft and two identical side units, each with an area of approximately 8,000 square metres.

Cogeneration plant

Milan Malpensa Airport has a gas-fired cogeneration plant that is located on the airport's premises and generates both thermal energy, which can be converted into cooling energy, and electricity, and satisfies the electricity and heating requirements of the airport, which as a result does not depend on external supplies of electricity and heat from the national grid. As of the date of this Prospectus, Milan Malpensa Airport's cogeneration plant has an estimated maximum annual generation capacity of:

- 613 GWh for electricity, with an installed capacity of 70 MWe; and
- 543 GWh for thermal energy, with an installed thermal power of 62 MWt.

Car parking

As of 31 December 2013, Milan Malpensa Airport had a total of 10,584 parking spaces, 6,784 of which are at Milan Malpensa 1 and 3,800 at Milan Malpensa 2.

Milan Malpensa 1 also has 732 additional parking spaces for short-term parking, and an additional 415 parking spaces are available at Milan Malpensa 2.

Hotels

A four-star hotel that is part of the Sheraton international hotel chain and focuses primarily on business and leisure clients has been operating at Milan Malpensa Airport since October 2010. According to Sheraton, the hotel facilities include over 400 rooms, a restaurant, a conference centre and a wellness centre. The hotel is located in front of Milan Malpensa 1, to which it is connected by a covered walkway, and above the railway station connecting Milan Malpensa 1 to the centre of Milan.

In order to provide a diversified hotel offer that could meet the different needs and preferences of all passengers and users of Milan Malpensa Airport, the Issuer is building, through a third party (a subsidiary of the IKEA Group), a three-star hotel near the departures area of Milan Malpensa 2. Once opened, this new hotel is expected to have at least 150 rooms and to complement the current offering of hotel services available through the Sheraton Hotel by satisfying the needs, demands and preferences of the low-cost passengers served by Milan Malpensa 2.

Milan Linate Airport

Milan Linate Airport is located approximately 10 kilometres from the centre of the city of Milan, to which it is connected by the city's public transport system, is among the European airports located in closest proximity to a major city's centre and serves primarily business passengers who tend to be frequent flyers and travel on national and international routes within and outside the European Union.

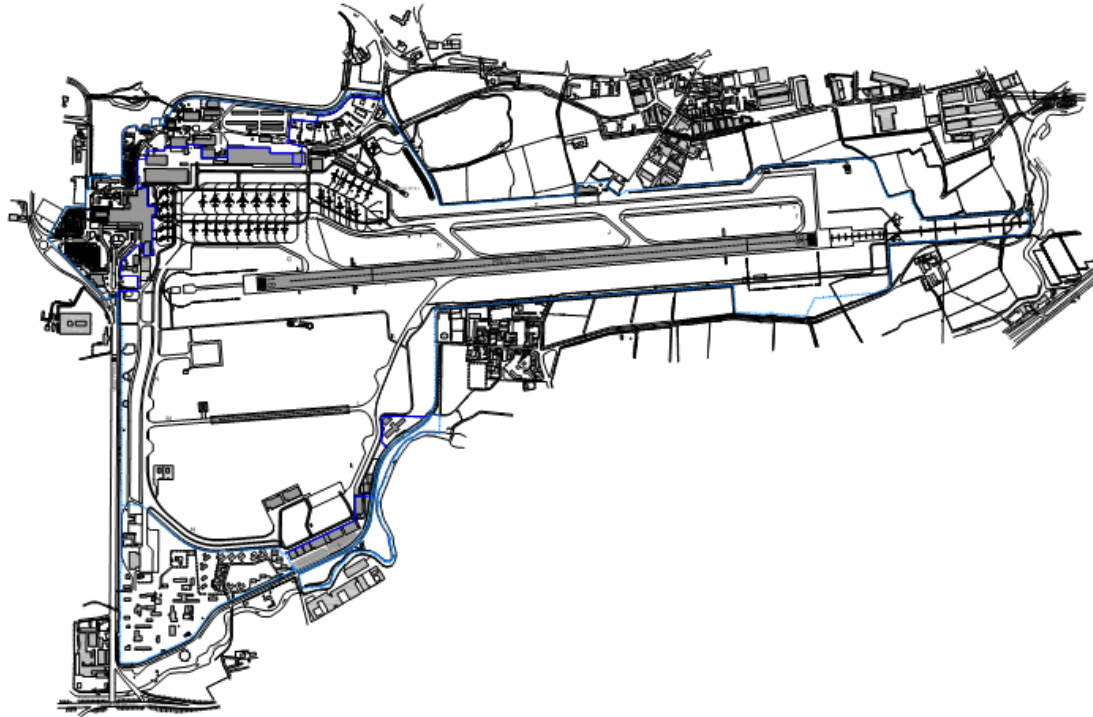
According to Assaeroporti's data (excluding direct transit passengers and general aviation movements from passenger traffic and postal mail from cargo traffic), Milan Linate Airport was, as of 31 December 2013, Italy's third largest airport by number of total movements and number of passengers, as well as the seventh largest by cargo traffic, accounting for 6.2% of total passengers, 7.2% of total aircraft movements and 1.9% of total cargo traffic in Italy.

Motorway and railway connections

Milan Linate Airport is easily accessible by road as it is connected to the centre of Milan by city roads and the city's expressway system. In addition, preliminary construction work has commenced on the railhead of the M4 metro line, which will connect Milan Linate Airport to Milan's metro network. The completion of this line is expected to significantly increase accessibility to Milan Linate Airport from different areas of Milan and its hinterland.

Airport layout

Milan Linate Airport occupies a total area of approximately 350 hectares located east of Milan at approximately 10 kilometres from the centre of the city. The following map illustrates the layout of Milan Linate Airport.



Flight infrastructure

As of 31 December 2013, Milan Linate Airport had two runways for landing and take-off, one (2,442 metre-long) for commercial aviation and the other (601 metre-long) for general aviation purposes.

The runways and taxiways are equipped with lighting systems to support flight and taxiing as well as radio equipment for instrument landing that is owned and managed directly by ENAV.

As of 31 December 2013, the flight infrastructure of Milan Linate Airport consisted of the main taxiway, which is approximately 2,100 metres long, and a system of taxiways totalling approximately 4,000 metres (or approximately 7,000 metres when including the taxiing paths within the aircraft parking areas), and two aprons for aircraft, one for commercial aviation with a total area of approximately 320,000 square metres and the other for general aviation with a total area of approximately 67,000 square metres. An additional apron of approximately 11,000 square metres is dedicated to aircraft maintenance. Currently, the airport's 47 parking bays can accommodate up to 41 aircraft at the same time; additional parking bays are available for general aviation and aircraft maintenance.

Passenger terminal

The passenger terminal consists of five levels with a total area of about 75,000 square metres, including approximately 33,000 square metres open to the public.

Cargo area

As of 31 December 2013, Milan Linate Airport's cargo area had a cargo warehouse of approximately 16,800 square metres and a capacity of between 80,000 and 100,000 tons/year, as well as administrative offices for a total area of approximately 8,420 square metres. Milan Linate Airport

also has a refrigerated warehouse of approximately 2,600 square metres equipped with four refrigerated storage areas which are used to store perishable foods.

Other infrastructure

Cogeneration plant

Like Milan Malpensa Airport, Milan Linate Airport also has its own gas-fired cogeneration plant that is located on the premises of the airport and generates both electricity and thermal energy, which can be converted into cooling energy. As a result, Milan Linate Airport does not depend on external supplies of electricity and heat from the national grid. As of the date of this Prospectus, Milan Linate Airport's cogeneration plant had an estimated maximum annual generation capacity of:

- 210 GWh for electricity, with an installed capacity of 24 of MWe; and
- 157 GWh for thermal energy, with an installed thermal capacity of 18 MWt.

Car parking

As of 31 December 2013, Milan Linate Airport had 3,586 car parking spaces.

Car parking spaces for passengers are divided into three car parking areas:

- the P1 Top Class multi-level car parking garage with 1,252 indoor parking spaces directly connected to the terminal;
- the P2 Executive multi-level car parking garage with 1,904 indoor spaces over several levels and, together with the P1 Top Class car parking area to which it is connected by a bridge for car and pedestrian traffic, is the largest indoor parking garage in the city of Milan; and
- the P2 Holiday car parking area, located on the roof of the P2 Executive car parking, had 430 outdoor spaces.

Milan Linate Airport also has 354 parking spaces exclusively for short-term parking, and 21 parking spaces reserved for car-valet services.

Milan Airports - Key traffic data

The traffic models developed and operated by Milan Malpensa Airport and Milan Linate Airport are significantly different.

The traffic model developed and operated by Milan Malpensa Airport in the passenger segment is characterised by the presence of several carriers. The large catchment area of the airport can generate significant volumes of passenger traffic for the various routes regardless of the carrier that operates such routes, which makes it possible to source the supply of flights from multiple carriers and facilitates the replacement of a carrier when necessary.

By using this model, the airport can, through its facilities, accommodate passengers with connecting flights. In particular, the airport can facilitate both connections between short-haul flights and sorting of transit passengers with long-haul destinations.

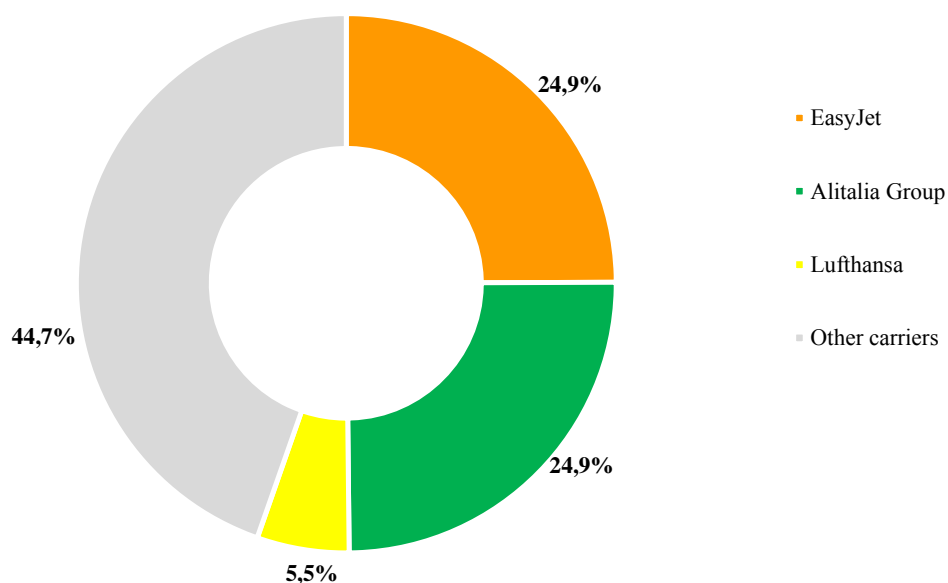
The traffic model developed and operated by Milan Linate Airport is based on the traditional "point-to-point" model, which features connections intended to connect two airports with direct flights, typically without offering passengers the opportunity to continue their journey to other destinations with the same ticket. Traffic at Milan Linate Airport is affected by restrictions on the destinations that can be served pursuant to Law Decrees No. 223 of 4 July 2006 and No. 7 of 31 January 2007 (so called Bersani 1 and Bersani-bis decrees). See "*Regulatory framework*".

According to Assaeroporti, in the cargo segment, Milan Malpensa Airport is the leading airport in Italy and among the leading airports in Europe and operates in a catchment area characterised by a significant demand for air cargo. As of the date of this Prospectus, the Issuer believes that such demand could not be satisfied in full by the current offering of all-cargo flights by carriers that operate in the catchment area. As a result, part of the cargo that originates from such catchment area is shipped by road or train to other European airports, which is referred to as cargo fleeing. As part of the Issuer's investments to eliminate or reduce such cargo fleeing, plans to expand Malpensa Cargo and double its cargo capacity will be implemented.

The attractiveness of Milan Malpensa Airport for the cargo segment is confirmed by the presence of international flights (including all-cargo flights) operated by major international carriers to countries and regions that have experienced more significant economic growth. As of the date of this Prospectus, Milan Malpensa Airport is the only Italian airport where all-cargo flights to and from non-European destinations were operated on a regular basis.

For the year ended 31 December 2013, passenger traffic at the Milan Airports amounted to 26.8 million (a decrease of 2.7% compared to the year ended 31 December 2012) while cargo activity amounted to 436,100 tons (an increase of 3.5% compared to the year ended 31 December 2012). In the first two months of 2014 passenger traffic at the Milan Airports increased by 1.4% as compared to the same period in 2013. In the same period, cargo traffic increased by 8.8% as compared to the same period in 2013.

The graph below sets forth the principal carriers in terms of percentage of total number of passengers, which operated from the Milan Airports for the year ended 31 December 2013.



Milan Malpensa Airport

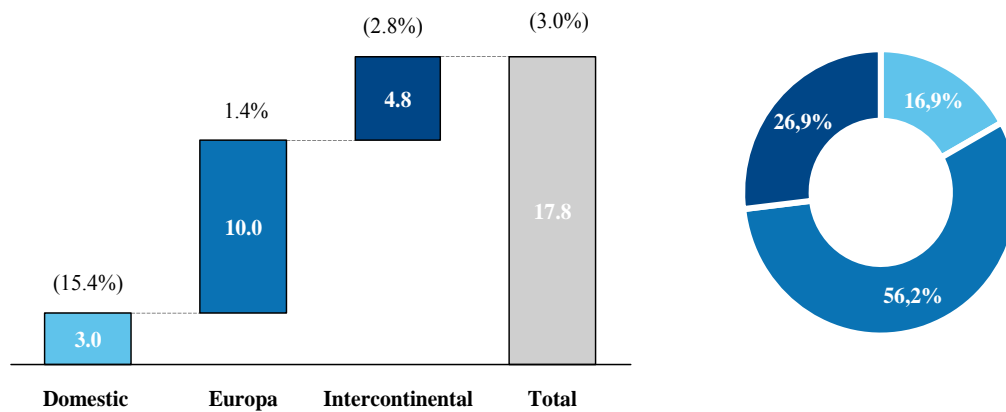
Passenger traffic

According to Assaeroporti's data, at Milan Malpensa Airport the total number of passengers in 2013 was equal to 17.8 million (a decrease of 3% compared to the year ended 31 December 2012), of whom approximately 7.9 million were low-cost passengers (an increase of 5.5% compared to the year ended 31 December 2012), representing more than 44% of the total number of passengers at Malpensa. Passenger traffic was adversely affected in 2013 by the decision by the Alitalia group to significantly reduce its activities at Milan Malpensa as a consequence of its restructuring plan and also

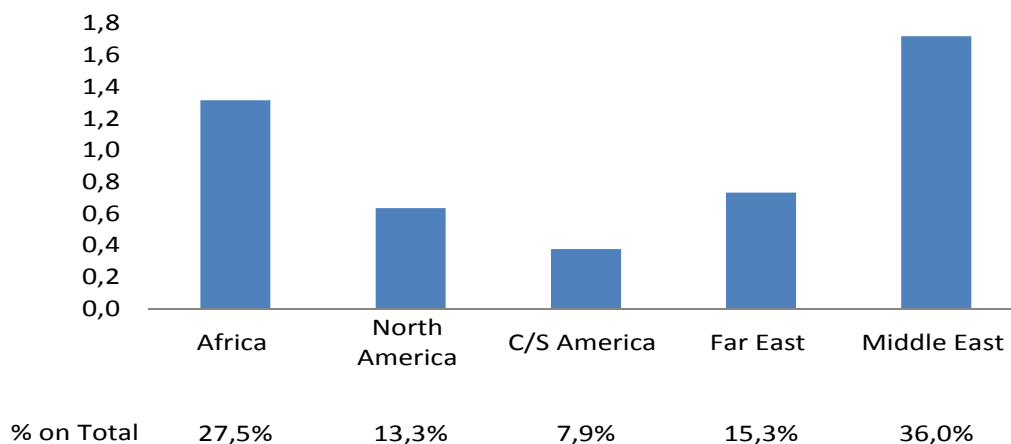
more generally as a result of the weakness of the Italian economy (in 2013 Italian domestic passenger numbers declined by 15.4% compared to 2012). In 2013 international passenger traffic remained stable, in particular as a result of the growth in European traffic that more than offset the intercontinental decrease, representing, respectively, more than 56% and approximately 27% of Milan Malpensa Airport passenger traffic. In addition, more than 51% of the destinations of Milan Malpensa Airport intercontinental passenger traffic are located in the Middle East and the Far East, two of the geographic areas in the world where the economy has grown most quickly in recent years, which are directly served from Milan Malpensa Airport with many connections operated by all the main carriers of those regions.

The following graphs sets forth the breakdown of the number of passengers of Milan Malpensa Airport for the year ended 31 December 2013 by type of destination (domestic, Europe and Intercontinental) and geographic intercontinental regions.

Milan Malpensa Airport – 2013 passengers breakdown by destination (million of passengers)



Milan Malpensa Airport – 2013 passengers breakdown by Intercontinental destination (million of passengers)



In 2013, passenger traffic at Milano Malpensa Airport consisted primarily of leisure passengers (51.6% of the airport's total number of passengers), with business passengers representing 38.4% and passengers traveling for other reasons representing 10.0%.

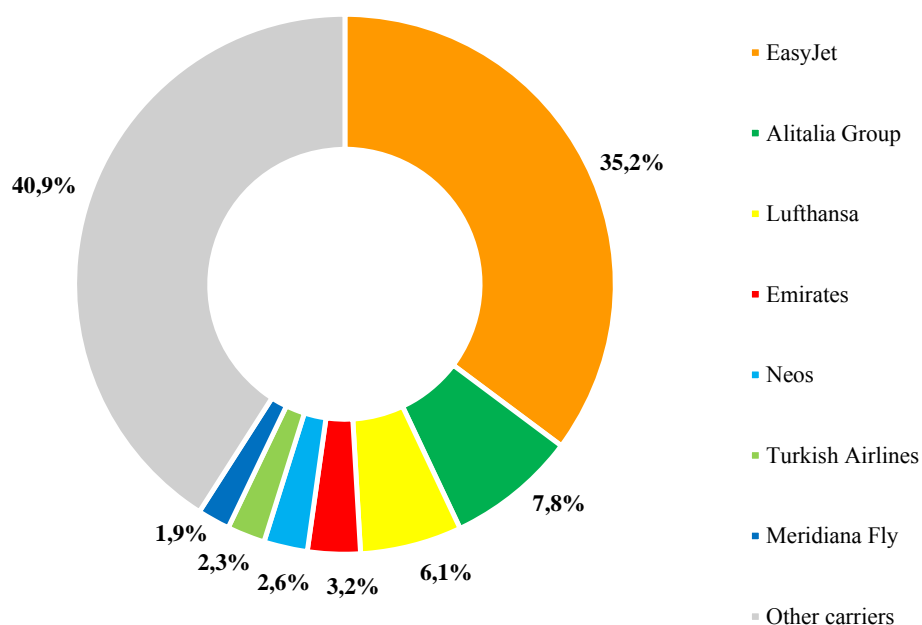
Passenger traffic - Carriers and destinations

As of 31 December 2013, a total of 96 carriers operated at Milan Malpensa Airport, including 12 Italian carriers and 84 non-Italian carriers.

The distribution of traffic at Milan Malpensa Airport is also characterised by the presence of all airline alliances. As of 31 December 2013 Star Alliance accounted for 23.4% of total movements at Milan Malpensa Airport, Sky Team for 13.8% and One World for 7.6%.

As of 31 December 2013, Milan Malpensa Airport had connections to 176 national and international airports. In addition, in the first months of 2014, Air India confirmed the start of the route Malpensa–New Delhi 4 times per week and Air Canada began operating a direct flight on the route Malpensa–Toronto 5 times per week.

The graph below sets forth the principal carriers in terms of percentage of total number of passengers, which operated at Milan Malpensa Airport for the year ended 31 December 2013.



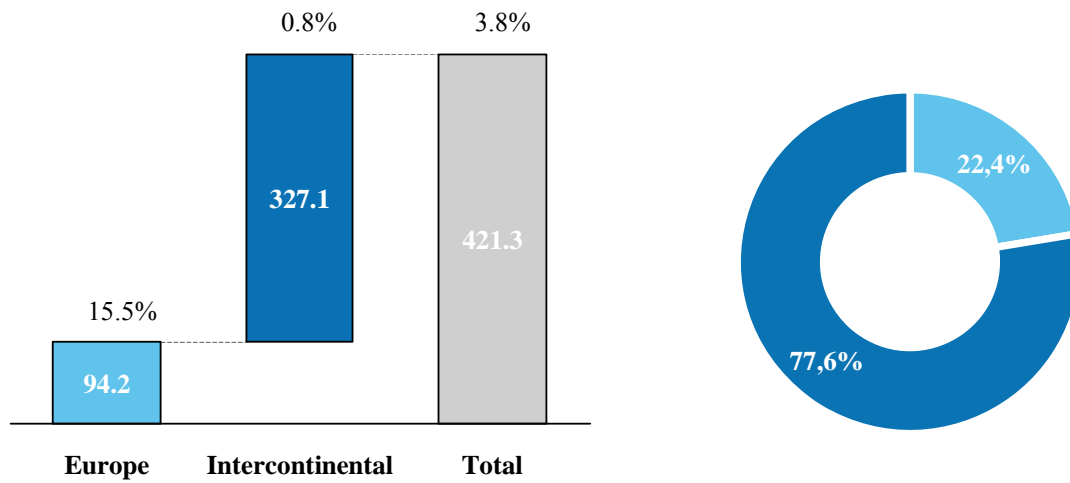
Cargo traffic

In 2013, cargo traffic at Milan Malpensa Airport increased by approximately 15,500 tons (or 3.8%) compared to 2012, managing more than 421 kilotons of freight, making it the leading Italian cargo airport and the sixth³ in Europe by number of tons of cargo transported.

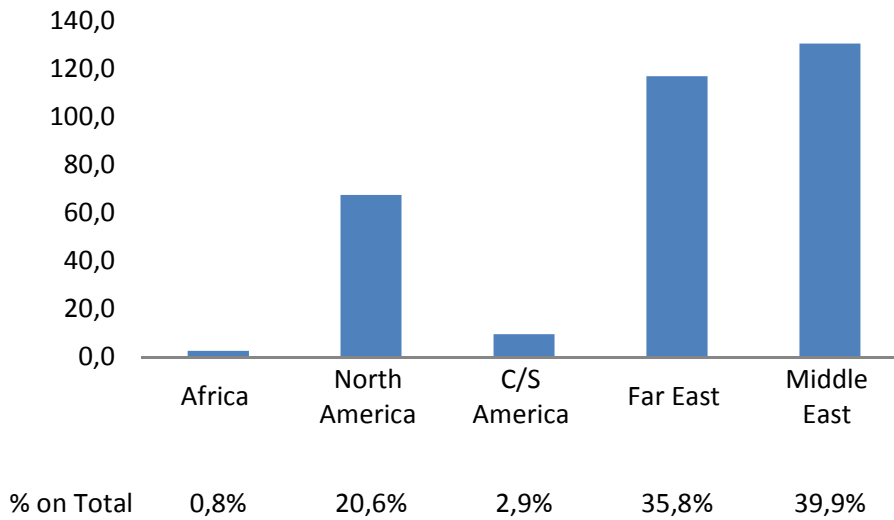
The graphs below set forth the breakdown of cargo of Milan Malpensa Airport for the year ended 31 December 2013 by type of destination (domestic, Europe and Intercontinental) and geographic Intercontinental regions. Milan Malpensa Airport cargo destinations are mainly intercontinental (77.6% of all cargo activities) and more than 75% of them are in the Middle East and the Far East. As a consequence, several intercontinental carriers also operating cargo services, such as Emirates, Qatar Airways, Etihad Airways, Cathay Pacific and Air China, are present at Milan Malpensa Airport.

³ Excluding mainly cargo and courier airports.

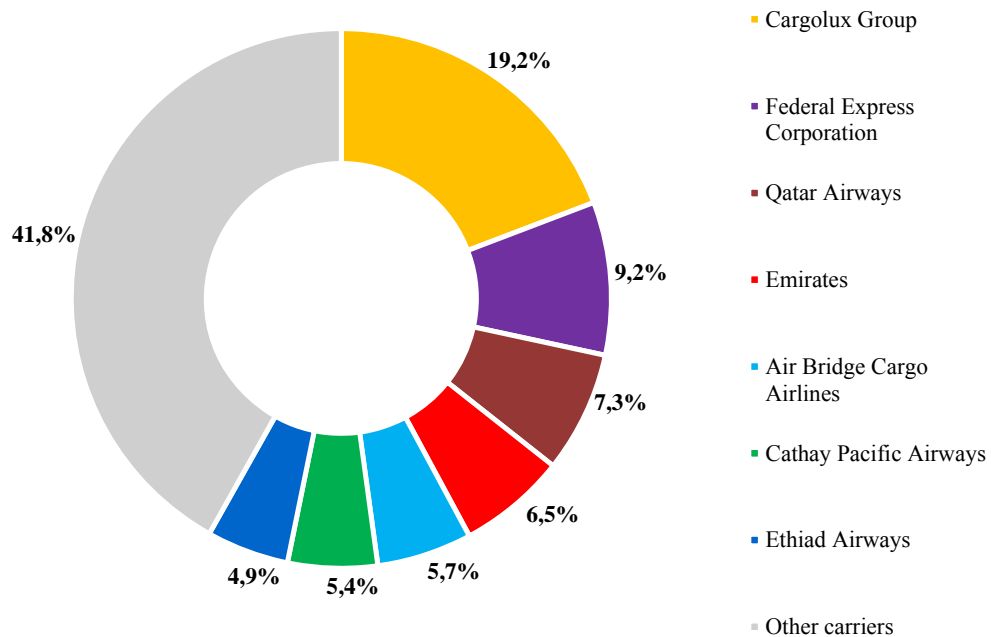
Milan Malpensa – 2013 cargo breakdown by destination (thousands of tons)



Milan Malpensa – 2013 cargo breakdown by Intercontinental destination



The following graph sets forth the principal carriers that operated from Milan Malpensa Airport for the year ended 31 December 2013 as a percentage of the airport's total cargo traffic.



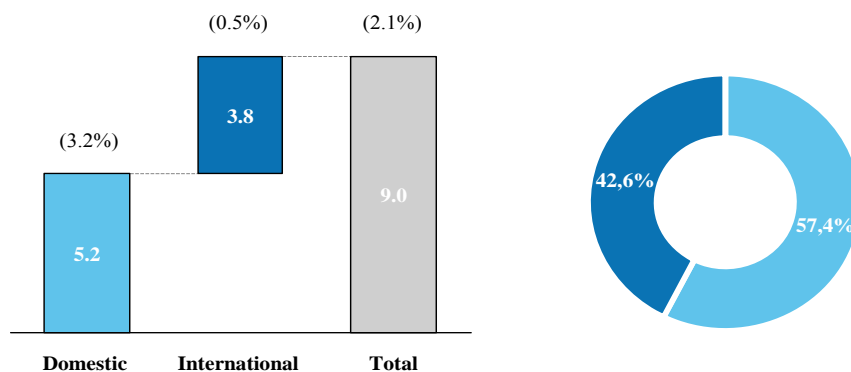
Milan Linate Airport

Passenger traffic

According to Assaeroporti, for the year ended 31 December 2013, the total number of passengers at Milan Linate Airport was approximately 9.0 million (a decrease of 2.1% compared to the year ended 31 December 2012). Approximately 58% of passenger traffic is domestic, and was affected by the downturn in the Italian economy and by the reductions of flights related to the Alitalia Group restructuring plan and the withdrawal of the Italian carrier Wind Jet.

The following graph sets forth the breakdown of passenger traffic at Milan Linate Airport by domestic and international destinations for the year ended 31 December 2013.

Milan Linate – 2013 passengers breakdown by destination (million of passengers)



In 2013, passenger traffic at Milan Linate Airport consisted primarily of business passengers (53% of the airport's total number of passengers), with leisure passengers representing 32% and passengers traveling for other reasons representing 15%.

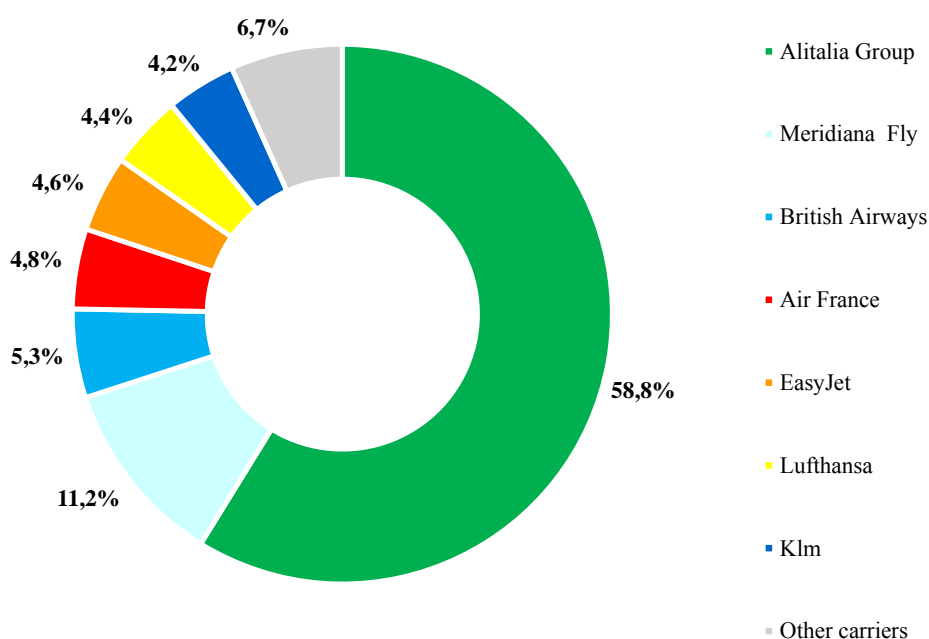
Cargo traffic

Cargo traffic at Milan Linate Airport, which primarily consists of courier services directed to international destinations, amounted to approximately 14,850 tons for the year ended 31 December 2013 (a decrease of 4.3% compared to the year ended 31 December 2012).

Carriers and destination

As of 31 December 2013, 9 national carriers and 13 international carriers operated at Milan Linate Airport. The Alitalia Group's traffic has a significant impact on Milan Linate Airport. In particular, for the year ended 31 December 2013 the Alitalia Group represented approximately 58.8% of total passenger traffic, 76.3% of domestic passenger traffic and 35.2% of international passenger traffic.

The following graph sets forth the principal carriers that operated from Milan Linate Airport for the year ended 31 December 2013 as a percentage of the airport's total number of passengers.



As of 31 December 2013, TNT, the courier and logistics group, was the principal cargo carrier operating from Milan Linate Airport and accounted for approximately 81% of the airport's total cargo traffic (approximately 82% as of 31 December 2012).

Management

Corporate governance

On 27 June 2001, the Issuer adopted a corporate governance system which broadly follows the principles and criteria set forth in the Corporate Governance Code for Listed Companies issued by the Italian Corporate Governance Committee (the "Code").

The corporate governance system of the Issuer is based on a classic organisational model, which involves a division of powers between the Shareholders' meeting, the Board of Directors and the Board of Statutory Auditors.

Pursuant to the Issuer's by-laws, the Board of Directors is entrusted with the power to manage the Issuer and is composed of seven members. The directors are appointed by the Shareholders' meeting on the basis of lists submitted by Shareholders who, individually or jointly with other Shareholders, hold vote-bearing shares representing at least 20% of the share capital of the Issuer. The term of

office of the Board of Directors is established by the Shareholders' meeting and must be no less than one financial year and no more than three financial years from the acceptance of the office.

Pursuant to the Issuer's by-laws, the Board of Statutory Auditors is composed of five Standing Auditors and two Alternate Auditors, each of which must meet the requirements provided by applicable laws and the Issuer's by-laws. The Chairman of the Board of Statutory Auditors is appointed by the Italian Minister of Economy and Finance and one of the Standing Auditor by the Italian Minister of Infrastructure and Transportation. The remaining three Standing Auditors and two Alternate Auditors are appointed by the Shareholders' meeting on the basis of lists submitted by Shareholders who, individually or jointly with other Shareholders, hold vote-bearing shares representing at least 20% of the share capital of the Issuer.

The Issuer ensures compliance with the Code through, inter alia, the constitution of internal committees, composed exclusively of non-executive Directors. In particular, the Issuer has established a "Control and Risk Committee", as well as a "Remuneration Committee". The duties assigned to such Committees are those provided by the Code and are enumerated in the resolutions of the Board of Directors constituting them. The Issuer has also established an "Ethics Committee".

The key corporate governance documents of the Issuer comprise: (i) its by-laws; (ii) the Organisation and Management Model under Legislative Decree no. 231/2001 and the Code of Ethics; and (iii) the rules of the internal committees.

Board of directors

Composition

As of the date of this Prospectus, the Issuer's Board of Directors consists of seven members appointed by the Issuer's Ordinary Shareholders' Meeting held on 24 June 2013. The current Board of Directors will hold office until the date of the Ordinary Shareholders' Meeting approving the Issuer's financial statements as at 31 December 2015. The following table lists the current members of the Board of Directors as at the date of this Prospectus.

First and last name	Position
Pietro Vitale Antonio Modiano.....	Chairman
Renato Ravasio.....	Deputy Chairman
Mario Anastasio Aspesi.....	Director
Salvatore Bragantini.....	Director
Mauro Maia.....	Director
Susanna Stefani.....	Director
Susanna Zucchelli.....	Director

The following table sets forth the companies for which the Directors of the Issuer serve as members of an administrative, management or supervisory body.

Name	Company	Main positions held outside the Group
Pietro Vitale Antonio Modiano	Nomisma S.p.A. Carlo Tassara S.p.A. Nomisma Cina S.r.l.	Chairman and CEO Chairman Chairman
	Scientific Committee Master in Finance, Collegio Carlo Alberto Foundation, Turin	Chairman
	Osservatorio Asia	Member
	Advisory Board Mandarin Capital Partners	Member
Renato Ravasio	Fondazione Cariplo Iniziative Patrimoniali S.p.A. Banca Galileo S.p.A. Fondazione Istituti Educativi di Bergamo Synergo SGR S.p.A.	Sole Director Chairman Chairman Director
	Fondazione per la Storia Economica e Sociale di Bergamo	Director
	Consorzio Semenzoo Italy	Director
Mario Anastasio Aspesi	Nuovi Mercati S.r.l.	Chairman
	Marketing Trend S.p.A	CEO
Salvatore Bragantini	Interpump Group S.p.A. Sabaf S.p.A.	Independent Director Independent Director and member of the Control and Risk Committee
	PerMicro S.p.A. Extrabanca S.p.A. University of Studies of Milan (<i>Università degli Studi di Milano</i>)	Director Director Director
	Etalia S.A ABC La Sapienza in tavola, cooperativa	Director Director
Mauro Maia	F2i Metroweb S.p.A. Metroweb Italia Autostrada del Brennero S.p.A. Infracis S.p.A. Lift S.p.A. Aeroporti Holding S.p.A. F2i Aeroporti S.p.A. F2i SAL S.p.A.	Senior Partner Deputy Chairman Deputy Chairman Director Director Director CEO Chairman Chairman
Susanna Stefani	GC Governance Consulting	Deputy Chairman
Susanna Zucchelli	Società Interporto Bologna S.p.A. Hera S.p.A.	Director Diversity Manager Head of “ <i>Direzione Tecnica Clienti</i> ” Head of “ <i>Area Territoriale Imola-Faenza</i> ”

Board Committees

Control and Risk committee

The Control and Risk Committee, composed of three non-executive Directors, assists the Board of Directors in performing the duties assigned to the Board itself on risk and internal control matters in compliance with the recommendations of the Code.

The following table lists the current members of the Control and Risk Committee as at the date of this Prospectus.

First and last name	Position
Salvatore Bragantini	Chairman
Renato Ravasio	Committee member
Susanna Zucchelli	Committee member

Remuneration committee

The Remuneration Committee, composed of three non-executive Directors, has, *inter alia*, the following duties: (i) examining and approving the guidelines for the remuneration of Directors and management; (ii) preparing and submitting to the Board of Directors its proposals on the remuneration of the executive Directors as well as the Directors covering particular offices; (iii) preparing and submitting to the Board of Directors its opinions relating to the number of Directors and the composition of the Board of Directors.

The following table lists the current members of the Remuneration Committee as at the date of this Prospectus.

First and last name	Position
Mauro Maia	Chairman
Mario Aspesi.....	Committee member
Susanna Stefani.....	Committee member

Ethics Committee

The Ethics Committee, composed of a Director representing the Board of Directors of the Issuer, ensures the widest possible dissemination, complete observance and correct interpretation of the Issuer's Code of Ethics, providing for, if appropriate, activation of the competent Issuer's departments, urging adoption of the appropriate measures. In addition, at least on yearly basis, it prepares a report for the Chairman of the Board of Directors.

The Ethics Committee is currently chaired by Salvatore Bragantini.

Senior management

Principal executive officers

The following table sets forth the principal executive officers of the Issuer as at the date of this Prospectus.

Name	Position
Luciano Carbone.....	Chief Corporate Officer (CCO)
Cosimo Giulio De Metro	Chief Operating Officer (COO)
Michele Pallottini.....	Chief Financial Officer (CFO)

Board of Statutory Auditors

As of the date of this Prospectus, the Issuer's Board of Statutory Auditors consists of seven members. Pursuant to article 11 of Italian Ministerial Decree No. 521/97, on 25 September 2013 the Italian Minister of Economy and Finance appointed the Chairman of the Board of Statutory Auditors and on 14 June 2013 the Italian Minister of Infrastructure and Transportation appointed another member of the Board of Statutory Auditors. The remaining five members were appointed by the Ordinary Shareholders' Meeting held on 24 June 2013.

The Board of Statutory Auditors will remain in place until the approval of the Issuer's financial statements as at 31 December 2015. The renewal of the Board of Statutory Auditors will then take place in accordance with the provisions of the by-laws, which provides, among other things, that such board will be elected pursuant to the list-voting mechanism set forth in the by-laws.

As of the date of this Prospectus, the Board of Statutory Auditors of the Issuer is composed of the following members:

Name	Position
Rita Cicchiello ⁽¹⁾	Chairman
Andrea Galli ⁽²⁾	Standing Statutory Auditor
Paolo Giovanelli	Standing Statutory Auditor
Antonio Passantino	Standing Statutory Auditor
Ezio Maria Simonelli	Standing Statutory Auditor
Andrea Cioccarelli	Alternate Auditor
Ilaria Moretti	Alternate Auditor

(1) Auditor appointed by the Italian Minister of Economy and Finance in substitution of Paolo Marcarelli, appointed on 15 February 2013.

(2) Auditor appointed by the Italian Minister of Infrastructure and Transportation.

Conflicts of interest

As at the date of this Prospectus, to the Issuer's knowledge, there is no conflict between the interests of any member of the Issuer's Board of Directors or Board of Statutory Auditors or any of the principal executive officers of the Group, on the one hand, and the obligations arising from the position or positions each of such persons has within the Group, on the other hand.

Shareholders

As at the date of this Prospectus, the City of Milan is the controlling shareholder of the Issuer, holding 54.81% of its share capital. The following table shows the main shareholders of the Issuer, based on its shareholders' book.

Shareholders	Ownership interest
Local authorities and other public bodies	
City of Milan.....	54.809%
Province of Varese.....	0.64%
City of Busto Arsizio.....	0.056%
City of Gallarate.....	0.037%
PARCAM S.r.l.	0.031%
Chamber of Commerce of Varese.....	0.019%
City of Somma Lombardo.....	0.017%
City of Lonate Pozzolo.....	0.003%
City of Ferno.....	0.002%
Total local authorities and other public bodies	55.614%
Private shareholders	
F2i-Aeroporti S.p.A. (N.2167).....	29.750%
F2i-Aeroporti S.p.A. (N.2180).....	5.942%
F2i-Aeroporti S.p.A. (N.2189).....	0.027%
Total F2i-Aeroporti S.p.A.	35.719%
F2i SGR S.p.A. on behalf of F2i - <i>Secondo Fondo Italiano per le Infrastrutture</i> (2181).....	8.616%
F2i SGR S.p.A. on behalf of F2i - <i>Secondo Fondo Italiano per le Infrastrutture</i> (N.2190).....	0.006%
Total F2i SGR S.p.A. on behalf of F2i - <i>Secondo Fondo Italiano per le Infrastrutture</i>	8.622%
Total F2i Aeroporti S.p.A. and F2i SGR S.p.A.	44.341%
Other private shareholders.....	0.045%
Total private shareholders	44.386%
TOTAL public and private shareholders	100.000%

Shareholders' agreements

As of the date of this Prospectus, the City of Milan holds 54.81% of the Issuer's share capital and, as a result, controls the Issuer in accordance with article 93 of Legislative Decree No. 58 of 24 February 1998, as amended, and article 2359(1)(1) of the Italian Civil Code since it holds a majority of the voting rights that can be exercised at ordinary meetings of the shareholders of the Issuer. In addition, to the Issuer's best knowledge on 29 December 2011, the City of Milan and F2i entered into a shareholder agreement (the "**Shareholders Agreement**") in connection with the acquisition by F2i of a 29.75% ownership interest in the Issuer's share capital. The Shareholder Agreement has a five-year term. The Shareholder Agreement sets forth, among other things, certain corporate governance arrangements relating to the Issuer.

Financing arrangements

SEA intends to use the proceeds from the Notes to refinance certain indebtedness of the Group, a portion of which is owed to certain of the Joint Lead Managers, directly or through affiliates or through companies being part of their banking group, including parent companies, that at the date of this Prospectus includes term loans and short term revolving bank loans, and for general corporate purposes.

In addition to the Notes, in order to strengthen its financial position, SEA has recently entered into a new Euro 260 million five year revolving credit facility, which will provide SEA with a liquidity buffer, together with uncommitted credit lines, and intends to enter into an additional term loan.

Legal, administrative and other proceedings

As part of their ordinary course of business, companies within the Group are subject to a number of civil, administrative and tax proceedings relating to the management and development of the Milan Airports. The Group has carried out a review of its ongoing litigation, and provisions in the consolidated financial statements were made where the disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made.

As at 31 December 2013, the Issuer had a provision in its consolidated financial statement for legal proceedings amounting to Euro 31.5 million. Save as described below, the Issuer believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or the Group's business, financial condition and prospects. In certain cases, where the negative outcome of

disputes was merely possible, no specific provisions were made in the Issuer's consolidated financial statements in accordance with the principles and procedures governing the preparation of financial statements.

The decision of the European Commission concerning SEA Handling

In its decision dated 19 December 2012 (the "**Decision**"), the European Commission (the "**Commission**") ordered SEA Handling S.p.A. ("**SEA Handling**") to repay to the Issuer the amount of €360 million, plus interest, on the grounds that the capital increases carried out by the Issuer in favour of its subsidiary SEA Handling between 2002-2010 were deemed to be unlawful State aid. In particular, the Decision established the obligation of the Italian state to recover the aid, for the exclusive benefit of the Issuer, within four months from the date of its notification (and, therefore, by 20 April 2013, a term later extended to 6 May 2013).

SEA Handling and the Italian authorities appealed the Decision before the European Court of Justice (the "**ECJ**") requesting the annulment of the Decision, while, simultaneously, started negotiating an alternative settlement proposal with the Commission in order to agree to an alternative to a refund in cash, without prejudice for the judicial proceedings before the ECJ.

In particular, negotiations with the Commission relate to the (i) termination of the supply and handling services agreements between SEA Handling and the Milan Airports' air carriers, while allowing continuity of services; (ii) sale of all of SEA Handling's assets through a public tender; (iii) termination of SEA Handling's employment agreements; (iv) liquidation of SEA Handling; and (v) commitment by the Issuer to support SEA Handling during its liquidation (the "**Settlement Proposal**").

The liquidation of SEA Handling and the sale of its assets at market prices constitute a permitted way of complying with the Decision, as an alternative to a refund in cash. The way the liquidation of SEA Handling would be conducted has been agreed between the Issuer and the Italian government and does not require the Commission's prior authorisation. However, during the implementation procedure, the Italian government has the duty to provide the Commission with a detailed description of the measures which are intended to be taken in order to comply with the Decision. The Commission may not make a further decision on such measures, but retains its right to verify their legitimacy and compliance with the Decision and may bring a claim before the ECJ if determines that the measures undertaken by Italy for the liquidation of SEA Handling do not comply with the Decision.

Pursuant to the Settlement Proposal, the Issuer would continue to operate in the handling market through Airport Handling S.r.l., a new subsidiary, incorporated in September 2013 ("**Airport Handling**"), which, as of the date of this Prospectus, is not yet operational. Airport Handling would operate in "economic discontinuity" with SEA Handling by, *inter alia*, (i) renegotiating employment agreements with SEA Handling's employees and (ii) negotiating new supply and services handling agreements with both suppliers and air carriers. The implementation of the Settlement Proposal would result in significant restructuring costs for the Group, uncertainty in the continuity of the Group's handling activities and a material reduction of revenues from the handling business. For further information, see the Consolidated annual Financial Statements of the Issuer for the period ended 31 December 2013, incorporated by reference in this Prospectus (see "*Documents incorporated by reference*").

Other proceedings

In addition to the above, the Group is involved in certain minor civil proceedings, for which no provisions for contingent liabilities were made, as the impact of any negative outcome could not be estimated. A summary of the most significant proceedings is set out in the section of the consolidated annual financial statements of the Issuer for the period ended 31 December 2013 headed 6.13 "Provision for risks and charges" concerning financial risk arising from disputes, incorporated by reference into this Prospectus (see "*Documents incorporated by reference*").

On 2 July 2011 the Court of Milan sentenced SEA, the Ministry of Transportation and ENAC jointly to pay an overall amount of Euro 736,600 to 28 residents of Segrate, the city where Milan Linate Airport is located, for the damages suffered for the noise caused by the airport. SEA, the Ministry of Transportation and ENAC appealed the decision before the Court of Appeal of Milan, which suspended the execution of the decision of the court of first instance. During the appeal, an expert appointed by the Court found that in the area the noise did not exceed the limits provided by the law and, therefore, the Court of Appeal annulled the decision of the court of first instance.

On 15 October 2013 the Court of Milan filed its ruling concerning the claim brought by SEA against the Italian Custom Agency (the “**Agency**”) for unpaid rental fees for the use of certain areas of the Milan Airports. The Agency, in fact, believed that it was entitled to use such areas without consideration. The Agency was sentenced to pay approximately Euro 5.5 million to SEA, in addition to the expenses for the proceeding. The decision of the Court of Milan establishes the right of SEA to receive an adequate compensation also for the areas used by Public Administrations within the Milan Airports. The Agency appealed the decision, which is immediately enforceable, before the Court of Appeal of Milan and claimed for the suspension of its enforcement. Such request was dismissed. The Issuer expects that the payment from the Agency will occur in a short time, plus accrued interest.

During 2014, two main proceedings were communicated to SEA respectively by Swiss International Air Lines (“**Swiss**”) and by Aviapartner Handling (a ground-handling operator at the Milan Airports) for a global value of Euro 6.8 million.

In particular, Swiss claims for the return by SEA of Euro 2.2 million paid by Swiss to SEA during years 2002–2009 for extra–EU airport charges instead of intra–EU airport charges following an agreement between the European Union and the Swiss Confederation on the matter. The position of SEA is similar to the one of other Italian airports against whom Swiss has filed a claim. Aviapartner claims for Euro 4.6 million supposed damages suffered in dependence to aid granted by SEA to its fully owned subsidiary SEA Handling. Neither claim is expected to have a material adverse effect on SEA’s business, financial condition and prospects.

Furthermore, after the acquisition of Ali Trasporti Aerei ATA S.p.A. on 18 December 2013, a petition was filed with the Antitrust Authority (*Autorità Garante per la Concorrenza e il Mercato* – “**AGCM**”), for an alleged abuse of dominant position by SEA. AGCM started an investigation, whose outcome is expected by 30 March 2015. In the unlikely event of a negative outcome, AGCM may impose an administrative sanction on SEA. SEA would, in any event, appeal against any such decision before the Regional Administrative Court of Lazio (*Tribunale Amministrativo Regionale del Lazio*).

Employees

As of 31 December 2013, the Group had 4,749 employees (in terms of headcount equivalent), a 2.2% decrease compared to the year ended 31 December 2012. The decrease was mainly due to the implementation of a “*mobilità*” procedure (collective redundancies), that in the period 2008–2013 facilitated the exit of more than 1,000 workers identified on the basis of certain applicable criteria, including meeting the minimum age and pension contribution criteria to become eligible to retire during the period in which the procedure applied.

In order to minimise the adverse impact on the Group’s employment levels of the financial difficulties that resulted from Alitalia De-Hubbing, since March 2008 the Issuer has used the Italian State’s welfare support measures consisting of the Special Temporary Unemployment Support Fund (*Cassa Integrazione Guadagni Straordinaria (CIGS)*) that on average per year involved more than 420 employees (in terms of headcount equivalent).

In 2014, in order to minimise the impact of the redundancy of some of the workers, CIGS is still applied for SEA Handling and the “*Contratto di Solidarietà*” is utilised for the Issuer’s direct employees.

The Group's Investment Programme

Historical capital expenditure

The Group's capital expenditure during the period 2001-2010 amounted to Euro 912.1 million, of which approximately 76% was directly sustained by the Issuer while the remaining part was financed by the Italian State through Law 449/1985 and utilised in full. In that period the Issuer spent on average Euro 69 million per year directly.

During the following three years, the Issuer made additional investments of Euro 310 million, with a significant increase in expenditure, mainly related, *inter alia*, to (i) the completion of certain Milan Malpensa infrastructure, (ii) the opening of a multi-level car parking facility at Milan Linate Airport adding 2,300 new parking spaces, (iii) the further development of Milan Malpensa Cargo area, and (iv) the maintenance of flight infrastructure at both the Milan Airports to guarantee high levels of quality, safety and security as required by the competent Italian authorities and by international standards.

The new investment plan

In the 2014–2015 period, the Issuer intends to make significant additional investments of approximately Euro 244 million to effect, *inter alia*, (i) the definitive completion of Milan Malpensa Airport infrastructure, in particular the main body of Terminal 1, adding more than 8,000 square metres of new commercial areas, in view of Expo 2015, and renewing all the interior fittings; (ii) the construction of new cargo warehouses at Milan Malpensa Airport in order to increase freight handling capacity up to 1,000,000 tons from the current 500,000 tons; (iii) the construction of a new railway station in Milan Malpensa Airport, located in Terminal 2, as part of the project of the rail link that is expected to connect also Terminal 2 of Malpensa directly with the city centre of Milan (for more information see “*Business description of the Group – The Milan Airports infrastructure*”).

On-going investments are expected to ensure capacity at Milan Malpensa Airport for future increases in traffic and to enable Milan Malpensa Airport to be highly competitive by comparison with other European airports that may be affected by excess capacity. The completion of cargo investments will also confirm Milan Malpensa Airport's role as the leading Italian cargo airport and as one of the main cargo airports in Europe. The maintenance capital expenditure will be directed at maintaining the high levels of services offered at both the Milan Airports.

As a consequence, the level of capital expenditure for the years 2016–2020 is expected to decrease to an annual level which, on average, is similar to that directly financed by the Issuer in the period 2001–2010. The investments to be completed in the period 2016–2020 will include (i) certain structural infrastructure measures in order to mitigate seismic events; (ii) upgrading of one of the existing runways of Milan Malpensa Airport; (iii) restyling of Terminal 2 of Milan Malpensa Airport; and (iv) maintenance of flight infrastructure.

The favourable regulatory regime permits the Issuer to include in its Regulatory Asset Base (“**RAB**”) only the investments made and, therefore, a potential reduction of investments does not penalise the Issuer. From the first year of the ENAC-SEA Program Agreement to the date of this Prospectus, the level of investment in the Issuer's regulated business was about 75% of the total capital expenditure of the period, and the Issuer expects to maintain the same level of investment over the next few years (for more detail see “*Regulatory Framework – The ENAC-SEA Program Agreement*”).

Recent Developments

As of 31 March 2014 passenger and cargo traffic at the Milan Airports increased by, respectively, 1.5% and 9.2% as compared to the same period of the previous year. This increase was mainly due to a growth of intercontinental destinations and of non-EU routes, which increased by 1.1%, as compared with the same period in 2013. Intercontinental passenger traffic increased by 8.9%. This performance was positively affected by the increase of passenger traffic to and from North America and the Middle East, whose main carriers operate at Milan Malpensa Airport. In particular, in the

same period passenger traffic at Milan Malpensa Airport and Milan Linate Airport increased by, respectively, 0.8% and 2.8%.

In the first three months of 2014, cargo traffic at Milan Malpensa Airport increased by 11.2% as compared to the same period in 2013, due in particular to the positive performance of the major cargo-only carriers operating at the airport, such as Cargolux and the Russian Air Bridge. Other carriers also registered an increase in cargo activity of 4.5%, including Qatar Airways and Emirates. In addition, in the first three months of 2014, certain bilateral agreements have been reviewed (e.g. with Bangladesh) and certain temporary authorisations have been confirmed (in particular Emirates and Qatar Airways).

From 1 February 2014, the Issuer, in cooperation with APCOA Parking Italy S.p.A. (“**APCOA**”), a specialist third party operator, manages directly all of Orio Al Serio Airport’s car parking on the basis of a six year contract ending in 2020. Orio Al Serio Airport’s has 7,000 parking spaces, divided into four different categories in order to satisfy various types of customers. SEA activity will be focused on introducing in Orio Al Serio Airport’s car park the innovative concepts already operated at the Milan Airports, such as development of e-commerce and innovative forms of payment to offer different services to different categories of passengers, with the aim of attracting customers that would otherwise have utilised car parking outside of the airport area. Over the past two months, the Issuer has also sought to further develop its car parking segment by entering into certain commercial agreements with other businesses.

For further information on recent developments see also “*Business Description of the Group – Non-aviation – Car parking*”, “*The Milan Airports Infrastructure – Milan Malpensa Airport – Passengers Terminal*” and the audited consolidated annual financial statements of the Group for the year ended 31 December 2013 which are incorporated by reference in this Prospectus (see “*Documents Incorporated by Reference*”).

Due to maintenance works on Orio Al Serio Airport’s runway, in May 2014 the Issuer expects that all the traffic using that airport will be transferred to Milan Malpensa Terminal 1 for about 20 days. It is expected that the Issuer will manage more than 500,000 additional passengers and about 2,500 additional flights.

RELATED PARTY AND OTHER TRANSACTIONS

Introduction

SEA maintains, and has maintained, relationships of a commercial and financial nature with other companies of the Group, which are referred to as “Intragroup Relationships”, as well as relationships with other related parties of the Group (identified on the basis of *IAS 24—Related Party Disclosures*). Such relationships fall within the typical activities of each interested party and are conducted subject to terms and conditions that the Issuer believes are at arm’s length.

Intragroup relationships

Described below are the Intragroup Relationships that the Issuer believes are significant and were in existence as of 31 December 2013.

These relationships cannot be qualified as atypical or unusual with reference to the activities conducted by the Group because they are part of the ordinary course of business of the Group itself. In addition, these relationships are substantially at arm’s length.

Other intragroup transactions

The following are summary tables of the commercial and financial Intragroup Relationships, in existence for the years ended 31 December 2012 and 2013.

	For the year ended 31 December 2012					
(in thousands of Euros)	Trade and other receivables	Current financial receivables	Income tax receivables	Trade and other payables	Financial liabilities	Income tax payable
Sea Handling.....	11,102	-	-	10,881	46,107	1,605
Sea Energia.....	806	29,643	-	9,965	-	67
Consorzio Malpensa Construction.....	324	-	-	438	-	-
Total	12,232	29,643	-	21,284	46,107	1,672

	For the year ended 31 December 2013					
(in thousands of Euros)	Trade and other receivables	Current financial receivables	Income tax receivables	Trade and other payables	Financial liabilities	Income tax payable
Sea Handling.....	8,382	-	-	16,859	36,008	3,354
Sea Energia.....	787	30,144	-	9,541	-	41
Consorzio Malpensa Construction.....	270	-	-	192	-	-
Airport Handling.....	66	-	-	-	-	-
Ali ATA Trasporti Aerei ATA.....	803	-	-	46	-	-
ATA Ali Servizi.....	42	-	-	-	-	-
Total	10,350	30,144	-	26,638	36,008	3,395

The commercial Intragroup Relationships described in the preceding table in existence between the Issuer and the other companies of the Group, in the time period indicated herein, consist of:

- transactions between the Issuer and SEA Handling, including, (i) SEA Handling carries out, on behalf of the Issuer, some operating services at the Milan Airports, including de-icing services (de-icing of airplanes), snow clearing, baggage handling for all airlines at the airports (BHS), state military and humanitarian flight assistance and fast-track service assistance; (ii) the Issuer provides to SEA Handling certain administrative services (including legal, administrative, auditing and customer care) and operating services (including airplane movement and passenger and flight crew transport from the terminal to the airplanes and *vice versa*), and allows, against a contractually agreed fee, the utilisation of its automated baggage handling system and premises at the Milan Airports for the undertaking of the services under (i) above;
- transactions between SEA Energia and the Issuer: (i) the supply by SEA Energia, at the Milan Airports, of electric and thermal energy produced by the co-generation plants, located at the Milan Airports, for their energy needs; (ii) the agreements relating to the division of the green certificates generated by the co-generation plants at the Milan Linate Airport; and (iii) the agreement for the provision by the Issuer in favour of SEA Energia of administrative services (including legal, fiscal, planning and control);

- transactions between the Issuer and the Malpensa Construction Consortium, which relate to the provision of design services and management of the works for the expansion and improvement of the Milan Airports which the Malpensa Construction Consortium carries out on behalf of the Issuer;
- transactions with Ali Trasporti Aerei ATA, which concern the sub-concession contract for general aviation management operations at Milan Linate Airport, granted by the Issuer on 26 May 2008 and expiring on 30 April 2041. The contract concerns, specifically, the utilisation of the general aviation infrastructure and the verification and collection, on behalf of the Issuer, of airport rights and security.

The financial Intragroup Relationships described in the preceding table in existence between the Issuer and the other companies of the Group are primarily represented by:

- centralised treasury services (cash pooling) which the Issuer undertakes on behalf of the subsidiaries SEA Handling and SEA Energia;
- loans of SEA Handling to the Issuer, entered into at the incorporation of SEA Handling, utilised and to be utilised for the financial needs of the company, including interest matured.

Related party transactions

The following table shows the balances with related parties for the years ended 31 December 2012 and 2013.

(in thousands of Euros)	For the year ended 31 December 2012			For the year ended 31 December 2013		
	Trade receivables	Trade payables	Operating revenues	Trade receivables	Trade payables	Operating revenues
<i>Associates</i>						
SACBO.....	661	-	1,407	685	-	1,157
Dufrital.....	4,630	10	26,002	2,041	442	25,204
Malpensa Logistica Europa.....	2,464	27	4,480	2,019	1,323	4,087
SEA Services.....	637	809	2,189	1,334	1,088	1,951
Disma.....	132	27	506	134	98	256
Total related party transactions.....	8,525	873	34,584	6,212	2,952	32,654
Total Group financial statements.....	156,054	202,006	632,294	118,095	165,867	657,080
Related parties as % of Group Total.....	5.46%	0.43%	5.47%	5.3%	1.8%	5.0%

The transactions with related parties of the Group, which are listed in the preceding table and are in existence in the period indicated in the table, consist primarily of:

- commercial transactions with reference to the recognition to the Issuer of royalties on sales (Dufrital);
- rental of premises (Malpensa Logistica Europa);
- supply to the Issuer of catering services (SEA Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma);
- supply by SEA Energia of electricity to SACBO.

As at the date of this Prospectus, there were no related party transactions other than those described herein above.

The following table sets forth the impact on the Group's cash flow of its related party transactions for the years ended 31 December 2012 and 2013.

<u>(in thousands of Euros)</u>	For the year ended 31 December 2012					For the year ended 31 December 2013				
	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total
A) Cash flow (used in) / generated from operating activities	1,610	-	1,610	132,831	1.2	(234)	-	(234)	128,257	(0.2)
B) Cash flow (used in) / generated from investing activities	2,882	-	2,882	(103,232)	(2.8)	1,717	-	1,717	(101,220)	(1.7)
C) Cash flow (used in) / generated from financing activities	-	-	-	679	0.0	-	-	-	(20,657)	0.0

REGULATORY FRAMEWORK

The Group's core businesses are heavily regulated under EU and Italian law, and these regulations may affect the Group's operating profit or the way it conducts business.

Although this summary contains all the information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Group and any investment in the Notes and should not rely on this summary only.

Overview

SEA operates in a highly regulated environment and is subject to certain rules and regulations, including, *inter alia*, statutory provisions governing public utilities services and monopolies. In particular, SEA is required to operate in accordance with the 2001 Agreement (as defined below), regulations issued by ENAC, the Italian Civil Aviation Authority, and other competent authorities, as well as any applicable international, European and national laws.

The Italian aviation and airport management sector is governed by a series of international treaties and protocols, standards issued by the relevant international organisations, European Union directives and regulations, Italian laws, ministerial decrees and resolutions and ENAC regulations which have been issued and amended over time, in addition to generally applicable laws and specific legislation, such as the “**Navigation Code**” (*Codice della Navigazione*), amended by Legislative Decree No. 151 of 15 March 2006, setting forth the duties and responsibilities with respect to airport management.

The main international rules governing international civil aviation are set out in the Warsaw Convention of 1929 (*Convention for the Unification of Certain Rules Relating to the International Carriage by Air*) as amended by the Hague Protocol of 1955 and the Montreal Protocol No. of 1975, the Montreal Convention of 1971 (*Convention for the Suppression of Unlawful Acts against Safety of Civil Aviation*) and the Chicago Convention of 1944 (*Convention on International Civil Aviation*), as amended, as well as the Kyoto Protocol to the United Nations Framework Convention on Climate Change and standards issued by the relevant international civil aviation organisations (of which ENAC is a member as representative of the Republic of Italy), such as, *inter alios*, the International Civil Aviation Organisation (“**ICAO**”).

There is also extensive regulation at the EU level, including the treaty establishing the European Union, and the accompanying directives, regulations and decisions covering the various aspects of civil aviation, as well as “soft law” communications issued by the European Commission.

ENAC

ENAC was established in July 1997 by Legislative Decree No. 250/1997 and is responsible for managing, controlling and supervising the Italian civil aviation sector with respect to the activities of providers of airport management services, such as SEA.

ENAC's statutory purpose is to ensure the safety, security and quality of services rendered to the end-users of Italian airports, and the protection of passengers' rights according to internationally agreed standards. Safety requirements include, among others, safe planning, construction, maintenance and operation of aircraft, as well as the skill assessment of air carriers and in-flight personnel. Security requirements are aimed at safeguarding passengers, both on and off-board and within the grounds of the airports, and preventing illegal acts.

In order to achieve such statutory purpose, ENAC issued the Passenger's Charter (*Carta dei diritti del passeggero*) and the Service Charter (*Carta dei Servizi*). The Service Charter sets out the minimum quality standards that airport operators are required to comply with in relation to their relevant services. The Passenger's Charter is a practical vade mecum providing for international, EU and national law provisions governing the claim and compensation procedures available to passengers in

case of non-compliance with applicable regulations relating to the rights of air passengers by airport operators or airline companies.

ENAC is also entrusted with other powers including, to take preliminary steps in the awarding of concessions for the management of airports, to implement applicable economic regulations and to assess and supervise relevant airport investment plans. ENAC is also very involved at a national and international level in promoting greater cooperation on environmental protection matters. This is carried out through assessment activities aimed at limiting the environmental impact on airport grounds and the surrounding areas and reducing noise and air pollution caused by aircraft.

Transport Regulatory Authority

Since 15 January 2014 the Transport Regulatory Authority has been operating in Italy.

With reference to matters concerning the air transport industry, its tasks will be combined with those of the Civil Aviation Authority, including setting airport fees at the expiration of ENAC Program Agreements for each airport.

The Transport Regulatory Authority is responsible for regulating both the Transport sector and the access to infrastructures and additional services. It is also in charge of defining the minimum quality standard of the transport services and the rights that passengers can claim against airports. In the event of non-compliance with the rules that have to be respected by Airports, the Transport Regulatory Authority, *inter alia*, may also require the suspension, revocation or withdrawal of concessions, public service contracts and ENAC Program Agreements for each airport.

The 2001 Agreement for the operation and development of Milan Malpensa Airport and Milan Linate Airport

The 2001 Agreement superseded Agreement No. 191/1962, which pursuant to Italian Law No. 194/1962 had granted the status of privately operated airport to the Milan Airports, which SEA had built at its own expense, and had awarded the operation of such airports to SEA until 1992. Pursuant to Italian Law No. 449/1985, which, among other things, extended the term of the legal regime of privately operated airports granted to the Milan Airports until 4 May 2022, as well as other applicable Italian laws and regulations relating to the concession agreements for the operation of airports on an exclusive or non-exclusive basis, SEA applied to ENAC to enter into a new agreement that would extend the term of the legal regime of privately operated airports for the Milan Airports beyond 2022. On 4 September 2001, SEA and ENAC entered into the 2001 Agreement for the operation and development of Milan Linate Airport and Milan Malpensa Airport for a 40-year term. The 2001 Agreement renewed and superseded Agreement No. 191/1962 and extended the term of the legal regime of privately operated airports granted to the Milan Airports to 4 May 2041, which is the date on which the 40-year term of the 2001 Agreement will expire.

The following is a description of the key provisions of the 2001 Agreement:

(a) Purpose and duration

The 2001 Agreement governs the activities relating to the operation and development of the Milan Airports, including those relating to the planning, construction, upgrading, expansion, maintenance and use of the infrastructure and facilities that are instrumental to the operation of these airports. The term of the 2001 Agreement is 40 years and expires on 4 May 2041. Pursuant to article 17(34-*bis*) of Italian Law No. 102/2009, such term could be further extended if necessary to provide SEA with economic and financial stability.

In accordance with the 2001 Agreement, SEA is committed to operating the Milan Airports as private airports pursuant to the applicable international, national and local regulations governing the operation of airports open to civil aviation, providing airport services and performing ordinary and extraordinary maintenance of the infrastructure and other facilities relating to the airport operations. In addition, SEA is required to devise and implement the most appropriate marketing strategies and

policies for the development of the Milan Airports, also taking into account the needs of the catchment area served by the Milan Airports.

Pursuant to article 3 of the 2001 Agreement, upon advance notice to ENAC in writing SEA may grant sub-concessions to third parties relating to the use of designated airport areas and premises for the provision of aviation services for a term not exceeding the term of the 2001 Agreement. ENAC may veto any sub-concession for legitimate reasons in the general public interest within 30 days after receipt of SEA's advance notice relating to such sub-concession.

Even prior to the expiration date of the 2001 Agreement on 4 May 2041, SEA may apply to ENAC to amend the 2001 Agreement and align its terms and conditions with those of similar agreements that ENAC may from time to time renegotiate with other Italian airport operators as part of the approval process relating to the program agreement with each of such operators.

(b) Revenues

Article 8 of the 2001 Agreement identifies the following categories of revenues that the Group can generate from the operation of the Milan Airports:

- Airport fees pursuant to Italian Law No. 324/1976;
- Duties on the loading and unloading of air cargo pursuant to Italian Law No. 117/1974;
- Security controls fees pursuant to article 8 of Italian Ministerial Decree No. 85/1999;
- Fees and charges from airport operations, whether conducted directly or indirectly, any other fees and charges from the provision of any other airport-related services (including commercial services) and fees and charges from commercial and other uses of airport areas and facilities by third parties; and
- Fees and charges from the application of Italian Legislative Decree No. 18/1999, which implemented under Italian law the EU Directive 96/67 concerning the deregulation of the market for airport ground-handling services at EU airports.

The ENAC-SEA Program Agreement entered into force on 23 September 2012, and sets out the regulated fee regime for the Issuer, based on a “dual till” long-term multiyear tariff system and predefined criteria for revision of the fees, which are valid for the entire duration of the 2001 Agreement.

(c) State property

SEA has the right to use the areas, buildings, infrastructure and facilities of the airports for the entire term of the 2001 Agreement. Under applicable Italian law, SEA is deemed to own the roads present in the airport area and, as a result, is responsible for their maintenance.

The infrastructure and facilities SEA built on airport grounds will remain SEA's property until the expiration of the 2001 Agreement, except as specified in the following paragraph (d).

(d) Consequences of the expiration of the 2001 Agreement

Upon expiration of the 2001 Agreement, or upon unilateral withdrawal from the 2001 Agreement by ENAC or termination of the 2001 Agreement after 4 May 2022, the Italian State will regain full title (free of any encumbrances and other restrictions) to the state assets pertaining to the airports and will acquire title, without providing consideration, over all the infrastructure and facilities constructed by SEA within the airport grounds. As a result, SEA will be required to return to the Italian State all of the assets that are state property and to devolve to the State, without receiving consideration, the infrastructure and facilities constructed by it within the airport grounds. SEA will be entitled to retain ownership only of equipment, interior fittings and furniture.

Similarly, upon expiration of the 2001 Agreement, SEA will be required to transfer to each of the City of Milan and the Province of Milan the infrastructure and facilities built on the land which each of such authorities still owns, but SEA may use, without receiving any consideration, pursuant to an agreement entered into on 23 July 1980, in the case of the City of Milan, and on 11 March 1968, in the case of the Province of Milan.

Accordingly, SEA will retain ownership title only over infrastructure and facilities built on SEA's own land.

(e) Withdrawal and termination of the 2001 Agreement

Pursuant to article 14 of the 2001 Agreement, ENAC may unilaterally withdraw from the 2001 Agreement in the event of serious and repeated violations of the applicable safety regulations by SEA, its failure to comply with, or serious and unjustified delay in, the implementation of its investment plan or SEA no longer being able to operate the Milan Airports. In such instances, ENAC would notify SEA of the specific violations, give it not less than 30 days to respond to its notice and, following consultations with SEA, identify the necessary remedial measures to be taken by SEA within a reasonable timeframe and, in any event, not less than 90 days. If SEA fails to take such measures within the specified timeframe, ENAC may withdraw from the 2001 Agreement by issuing a decision that sets forth the reasons for such withdrawal.

In addition, pursuant to article 14 of the 2001 Agreement, ENAC may terminate the 2001 Agreement in the event of (i) a delay of more than 12 months in the payment by SEA of the consideration it owes for the use of state property or (ii) SEA's bankruptcy. Upon withdrawal on any of these grounds, SEA would not be entitled to any reimbursement for the work performed on infrastructure and facilities or the expenses incurred by it. On the other hand, if ENAC does not consider it necessary to withdraw from the 2001 Agreement, it may impose a fine on SEA of up to the maximum annual amount of 50% of the amount due by SEA as consideration for its use of state property.

Finally, ENAC may terminate the 2001 Agreement for military or other justified public interest reasons and regain possession at any time of the state property occupied or used by the Milan Airports by paying to SEA a compensation amount for the infrastructure and facilities SEA has constructed with its financial resources to be determined in accordance with the criteria set forth in article 42 of the Italian Navigation Code. In particular, the applicable compensation amount is equal to the reimbursement to SEA of a portion of the costs incurred by it for the construction of such infrastructure and facilities calculated on the basis of the number of years remaining until the expiration date of the 2001 Agreement at the time of termination; provided, however, that such compensation may not be greater than the difference between the aggregate value of the relevant infrastructure and facilities at the time of termination and the amount of amortisation and depreciation recognised for these assets.

SEA believes that in the event that ENAC withdraws from or terminates the 2001 Agreement prior to 4 May 2022, the provisions of the 2001 Agreement will cease to have effect without any prejudice to the authorisation granted to SEA for the operation of the Milan Airports as privately operated airports until 4 May 2022 pursuant to the provisions of Italian Law No. 194/1962 and Italian Law No. 449/1985.

In addition, the 2001 Agreement does not provide for termination or withdrawal by ENAC in the event that there is no Italian law or decree that acknowledges the extension to 4 May 2041 of the term of the legal regime of privately operated airports granted to the Milan Airports under the 2001 Agreement.

Accordingly, SEA believes that ENAC may not terminate or withdraw from the 2001 Agreement if no such Italian law or decree is enacted or issued, as the case may be.

(f) Consideration for the use of state property

Pursuant to article 4 of the 2001 Agreement, SEA is required to pay to ENAC as consideration for the use of the state property forming part of the airport grounds an annual fee to be determined in accordance with the criteria set forth in article 2(188) of Italian Law No. 662/1996 and the related implementation measures, which provide that:

- The applicable fees for concessions to airport operators are periodically set by the Italian Ministry of Finance, acting in concert with the Italian Ministry of Transportation, with reference for each year period to the number of passengers and the volume of cargo goods handled by the relevant airport or airports; and
- Airport operators that, like SEA, are currently authorised for the operation of airports on an exclusive basis pursuant to special legislation instead of a concession regime are subject to the same fee regime for the use of state property that applies to concession-based airport operators, although the 2001 Agreement defines the fee due by SEA as consideration for the use of state property instead of concession fees.

Based on the application of these criteria and other applicable laws and regulations, the actual consideration to be paid by SEA to ENAC for its use of state property for the year ended 31 December 2013 was Euro 10.9 million (Euro 20.6 million on an annual basis).

(g) Development plans, zoning plans, projects and construction

SEA is required to implement the airport development plan and make the investments contemplated by such plan for the operation of the Milan Airports. Pursuant to article 12 of the 2001 Agreement, SEA submitted the airport development plan (including the financial plan for the operation of the Milan Airports) to ENAC for its review in connection with the signing of the 2001 Agreement and is required to provide ENAC with an annual update on the airport development plan and a report on the status of its implementation. SEA provided such annual update for 2002, 2004 and 2006 by submitting to ENAC an action plan.

In January 2006, ENAC replaced the airport development plan with the four-year investment plan, through which each airport operator identifies the infrastructure and facilities to be built, expanded or refurbished on the airport grounds in accordance with the requirements and guidelines set forth in the master plan, but within a shorter time frame than the master plan.

On 10 August 2011, SEA submitted its latest four-year investment plan for the 2011 – 2014 period to ENAC, which as of the date of this Prospectus was still reviewing it. ENAC approves SEA's projects for the construction work contemplated by the plan, and the projects for the construction work that is not contemplated by the plan and any changes and updates to the plan, in each case subject to verification by ENAC of their consistency with the airport development plan. In addition, SEA is required to submit to ENAC for its prior review and approval any significant amendments, supplements and updates SEA proposes to make to those projects whose execution is already in progress.

SEA is responsible for the implementation and completion of the construction projects and is the contracting entity that is responsible for awarding each project in accordance with applicable Italian laws and regulations. The projects executed and completed by SEA on the airport grounds are subject to inspection and testing by ENAC, for which SEA bears the related costs and expenses.

(h) Liability and insurance

SEA is liable for any damages to individuals or objects resulting from the conduct of its activities under the 2001 Agreement. Therefore, SEA maintains insurance policies as protection against risks associated with the management of Milan Airports as well as in relation to the activities of its subsidiaries.

The Group subscribes insurance policies with primary international insurance companies providing for adequate insurance coverage with respect to the infrastructure and facilities used in connection with the airport operations, as well as the risks associated with the performance of its activities, covering also additional risks with reference to those identified in the 2001 Agreement.

The Group determines the aggregate liability amount covered by such insurance policies and is fully and solely responsible for any liability in excess of such covered amounts.

At the date of the Prospectus the Group's insurance coverage covers, *inter alia*, the following risks: (i) property and business interruption, including terrorism risk; (ii) airport liability for aviation and non-aviation liability, including terrorism risk; (iii) soil and water pollution liability; (iv) directors and officers; (v) workers accidents (statutory and contractual personnel).

(i) SEA's other obligations

Pursuant to the 2001 Agreement, SEA is also responsible for, among other things:

- Managing the Milan Airports, ensuring they function 24 hours a day, promoting their development and optimizing the available resources in compliance with the principles of safety, efficiency, effectiveness, profitability and environmental protection;
- Ensuring on an ongoing and regular basis the provision of its services, the implementation of the airport development plan, the efficiency of the airport facilities and equipment, the adoption of adequate security and safety (including fire safety) measures and the support for emergency and health services;
- Ensuring adequate customer service standards, in accordance with the service charter;
- Assigning the aircraft parking bays in accordance with the SEA/ENAV cooperation agreement of 29 October 1999 (ENAC monitors whether the planning of aviation activities at each airport is compatible with the capacity of such airport); and
- Entering into the ENAC-SEA Program Agreement pursuant to CIPE's resolution of 24 April 1996 and complying with any other applicable regulatory requirements, as well as any other undertaking agreed upon with ENAC.

The ENAC-SEA Program Agreement

Overview

The ENAC-SEA Program Agreement entered into force on 23 September 2012, setting the regulated fee regime for the Issuer, based on a "dual till" long-term multi-year tariff system and predefined criteria for changes to the fees, which are valid for the entire duration of the 2001 Agreement.

The ENAC-SEA Program Agreement identifies SEA's regulated activities as the activities for which the Issuer is subject to regulatory oversight for the revenues it receives and for which it has agreed to charge airline customers with reference to a predefined mechanism.

Regulated activities, and related charges subject to regulation, relate, *inter alia*, to (i) passengers, (ii) landings and take-offs, (iii) security, and (iv) management of regulated areas.

The level of regulated charges is linked to (i) operating costs, (ii) depreciation charges, and (iii) fair remuneration on capital invested for the provision of such services.

The fee mechanism of the ENAC-SEA Program Agreement – a "dual till" approach – ensures the financial stability of the Issuer, enabling it to meet its obligations and commitments as airport operator as well as to upgrade, develop and expand SEA's regulated services; at the same time the Issuer has

no limitations in the development of non-regulated activities, operated under a free market competitive regime.

The “dual till” approach sets a “price cap” for the regulated business without affecting the non-regulated business.

Regulation period

Pursuant to the ENAC-SEA Program Agreement, the regulatory fee regime of SEA will apply until the expiration of the 2001 Agreement in 2041, as described below:

- An initial regulatory period of ten years (expiring on 31 December 2020) divided into two five year sub-periods (the first sub period from 1 January 2011 to 31 December 2015, and the second sub-period from 1 January 2016 to 31 December 2020) each of which is identified as a different “regulatory sub-period”;
- Subsequent regulatory periods may last from five to ten years. In case of a duration of more than five years, the regulatory periods will be, divided into two periods, with tariffs defined under the same regulated fee regime of the initial regulatory period, at levels defined through the subscription of a new program agreement between SEA and ENAC (not later than the sixtieth day following the approval of SEA’s financial statements of the last full fiscal year prior to the expiration of the previous regulatory period). In the remote event of a failure of an agreement between SEA and ENAC, the fees of the previous regulatory period will be applied pursuant to the mechanism of the ENAC-SEA Program Agreement, with some corrections in order to take into account the variations of operating costs, of new investments and of the traffic volumes.

Tariff rates/formula

The ENAC-SEA Program Agreement guarantees a long-term tariff system which is (i) linked to the costs associated with the infrastructure, (ii) designed to promote efficiency and (iii) based on criteria of fair remuneration for the investments made by SEA. As a consequence, the regulated tariffs enable SEA to be compensated for the maintenance, modernisation and development of Milan Airports regulated services, also designed to generate a fair return on RAB (*Regulatory Asset Base*).

In particular, the tariff rules applicable until the expiry of the 2001 Agreement are based on a “price cap” methodology that, in light of the adoption of the “dual till” regime, sets the unit fee for each regulated service without including, or taking into account, the financial impact of non-regulated services. Accordingly, the regulated fee for each year of a regulatory period is determined taking into account, *inter alia*, the base year costs and estimated air traffic levels.

The base year costs are the sum of opex (operating costs of regulated activities), depreciation (of assets related to regulated activities), return on invested capital (remuneration of RAB or capital invested in regulated activities, with WACC – Weighted Average Cost of Capital). For the sake of completeness, the initial RAB value of the first regulatory sub-period is Euro 734 million, which is to be updated annually in accordance with the level of investments in SEA’s regulated business; the real pre-tax WACC for the first regulatory sub period (2011–2015) is equal to 10.80%, which corresponds to 12.46% nominal pre-tax.

In case actual traffic levels differ from those estimated between +/-5% and +/-10%, SEA and ENAC may request the other party to review and amend the regulated fees by adjusting, in relation to the remaining years of each regulated sub-period, some parameters of the tariff rules such as, *inter alia*, component of cost of capital and allowed costs. If the difference in traffic levels is greater than +/-10% each party may request a review and amendment of the ENAC-SEA Program Agreement.

Ground Handling Regulation

The Ground Handling Directive (EC Directive 96/67 of October 1996, which deregulated ground handling services provided at airports within the European Union) was implemented in Italy through Legislative Decree n. 18 of January 1999 (“**Decree 18/1999**”), which, among other things, provided for the deregulation and opening of the ground handling services market in Italy, permitting some specific exceptions and restrictions regarding self-handling (a carrier directly providing itself with ground handling services is not allowed to enter into handling contracts in favor of third parties) and minor airports (those managing less than 3 million passengers and 75,000 tons of freight, or alternatively 2 million passengers and 50,000 tons of freight, can provide handling services directly avoiding the presence of independent handlers).

As a consequence, at the date of this Prospectus both Malpensa and Linate ground handling services are totally liberalised, even if in accordance with Decree 18/1999 the airport operator is required to guarantee to any carrier the presence at the airport of ground-handling services by either providing these services directly or coordinating the activities of those third parties providing these services to carriers.

As of 31 March 2014, the ground handlers operating in the Milan Airports, except self-handlers, are three in ramp services and 4 in passenger services (each present both at Milan Malpensa Airport and Milan Linate Airport), ground-handling services are provided under a free market, unregulated regime and, as a result, fees are freely negotiated among the parties.

Following the entry into force of Decree 18/1999, which requires operators to have separate accounting systems for the activities associated with the provision of ground-handling services and other activities, in 2002 the Issuer transferred all of its ground-handling activities at Milan Malpensa Airport and Milan Linate Airport to SEA Handling, a wholly owned subsidiary, one of the ground-handling operators at the Milan Airports at the date of this Prospectus.

Airport Regulation

ENAC’s Regulation for Construction and Management of Airport provides for prescriptions that any airport company has to comply with. Such compliance is periodically checked by ENAC through audits and inspections and documented by emission of an airport certificate. Milan Malpensa Airport certificate n. I-002/APT will expire on 26 November 2015, while Milan Linate Airport certificate n. I-002 B/APT will expire on 30 May 2016.

On 6 March 2014 Commission Regulation (EU) No. 139/2014 of 12 February 2014 came into force (“**Regulation 139/2014**”). Regulation 139/2014 sets out the requirements and administrative procedures related to aerodromes pursuant to Regulation (EC) No. 216/2008 of the European Parliament and of the Council of 20 February 2008. SEA’s airport certificate manual procedures will have to be compliant with Regulation 139/2014 by 31 December 2017.

ENAC’s Circular No. 19 of 26 October 2005 requires each airport to publish its own airport regulations, defining all the rules and procedures that are in force at the airport in order to assure a safe and orderly operation of the infrastructure facilities and plants by each operator. ENAC formally adopts each airport’s initial regulations and from time to time approves any amendment.

ENAC defines also the sanctions imposed for non-compliance with the applicable provisions through specific notices.

Malpensa’s current regulation was approved by ENAC by order No. 2 of 27 July 2012, while Linate’s regulation was approved by ENAC with order No. 1/2011 of 28 June 2011.

Regulations regarding the use of routes within and outside the EU

EC Regulation 1008/2008 sets forth the key regulatory principles for air transport services within the European Union. Pursuant to such regulation, EU-based carriers in possession of an operating license

may, without any restriction, select and operate on any routes within the European Union, both as between airports located in the same EU member state and between airports located in different EU member states.

On the other hand, air transport services to destinations outside of the European Union are regulated by bilateral agreements, which are typically based on standard forms of agreements and are entered into between the governments of the two countries. A bilateral agreement sets forth the regulatory framework for passenger and cargo air traffic between the two countries, including the maximum operating capacity in terms of number of frequencies and seats that can be offered, the number of carriers that may operate between the two countries and the number of destinations between the two countries such carriers may serve.

Bilateral agreements consist of open skies agreements or traditional agreements.

Under an open skies agreement, all carriers from each country may connect any destination in their own home territory with any of the other country's destinations, generally with no restrictions on frequency.

Traditional agreements specify the number of carriers that may be designated by each party and authorised to operate services between the two countries, each party's designated points of access and the number of flights and number of seats that can be operated between the two countries.

Milan Malpensa Airport and bilateral agreements

Due to the structure of Italy's bilateral agreements in force, the area of Milan and Northern Italy has been subject to restrictions on accessibility following the Alitalia De-Hubbing in March 2008. To improve and sustain the growth of Milan Malpensa Airport, open to scheduled and non-scheduled intercontinental, international, intra-EU, national and regional services, and in order to not deprive Northern Italy of an essential gateway to the rest of the world, the Italian government has been establishing new bilateral agreements as well as renegotiating existing bilateral agreements in order to launch new routes and increase the number of flights and destinations that can be operated from Malpensa. In addition, pending the execution of new bilateral agreements, ENAC is authorised, through Italian Law No. 2/2009, to issue temporary operating authorisations in order to ensure the greatest accessibility by air to and from Italy.

As a consequence ENAC negotiates any new or amended bilateral agreements on behalf of the Italian State acting in concert with the competent ministries. ENAC is also responsible for the issue of temporary operating authorisations. Pursuant to Italian Law No. 2/2009, ENAC has no discretion to deny such authorisations in respect of direct flights that fall within the scope of the third or fourth freedom and ENAC is required to issue such authorisations upon receipt of a request by the relevant state or carrier. In the case of temporary authorisations relating to flights that fall within the scope of the fifth freedom, which are not covered by Italian Law No. 2/2009, ENAC's practice is to issue such authorisations only after taking into account the interests and the views of each affected party, including the Italian government.

As part of the implementation of Italian Law No. 2/2009, in February 2010 the Italian Ministry of Foreign Affairs, in agreement with the Italian Ministry of Infrastructure and Transportation, launched an extensive survey of the Italian national interest in the air transport industry, the Italian companies that operate in the air transport industry, as well as other foreign countries, carriers and airports, in order to develop the new liberalisation criteria and increase the interconnectivity of Italy and, in particular, Milan Malpensa Airport. Following such survey, the Italian Ministry of Infrastructure and Transportation, ENAC and several aviation companies devised a structured road map with the objective of renegotiating the existing bilateral air agreements with the non-EU countries identified on the basis of the strategic and commercial interests that the Group views as priorities. These countries are: Algeria, Angola, Saudi Arabia, Argentina, Bangladesh, Bahrain, Byelorussia, Brazil, Capo Verde, Cuba, Egypt, the Philippines, Georgia, Jamaica, Japan, Jordan, Hong Kong, India, Iran, Iraq, Israel, Kazakhstan, Kenya, Kuwait, Libya, Mauritius, Mexico, Moldova, Nigeria, Pakistan, Panama, Qatar,

Russia, Senegal, Singapore, Syria, Sri Lanka, South Africa, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, Venezuela and Vietnam.

Such initiative has been undertaken in parallel with specific EU-level negotiation initiatives, which to date have led to the deregulation of many routes with non EU countries and all of the EU member states. In addition, the EU Commission has been given the mandate to negotiate open skies or other air transport deregulation agreements with Euro-Mediterranean countries.

Consistent with the rationale underlying the government's legislative initiatives, all of these negotiations and other efforts have resulted in an expanded portfolio of air traffic rights available to Italian and foreign carriers and an increase in the number of flights, routes and carriers operating at Milan Malpensa Airport.

Milan Linate Airport and current regulation

The current regulation for the distribution of traffic in the Milan Airports is the result of a lengthy dispute between Italy and the European Commission, that at the end concluded as follows:

- Milan Malpensa Airport is the arrival and departure airport for all scheduled and charter intercontinental, international, intra-EU, national and regional services
- Milan Linate Airport is used only for (i) general aviation flights and (ii) scheduled “point-to-point” connections, using narrow-body aircraft, operating either (a) one round-trip service to airport systems or individual airports with traffic of 350,000 to 700,000 passengers, (b) two round-trip services to airport systems or individual airports with traffic of 700,000 to 1,400,000 passengers, (c) three round-trip services to airport systems or individual airports with traffic of 1,400,000 to 2,800,000 passengers, (d) no limit to airport systems or individual airports with traffic greater than 2,800,000 passengers, (e) two daily round-trip services to destinations within the European Union with hub airports that received traffic of more than 40,000,000 passengers during calendar year 1999, as well as one daily service to capital cities of European Union member states that represented a portion of the Milan airport system's traffic of less than 350,000 passengers in calendar year 1999, and (f) daily round-trip scheduled services with airport systems or individual airports that are located in less affluent EU regions (the so-called depressed regions).

Regulations governing the allocation of slots

The procedures for allocating slots to EU carriers are governed at the EU level by Regulation EC/95/93 adopted on 18 January 1993 by the EU Council, as amended from time to time, which provides common rules for the allocation of slots at EU airports (“**Slot Regulation**”).

Pursuant to the Slot Regulation, the allocation of airport slots is a practice that should be considered exceptional, given that the underlying principle is the free choice of the landing and take-off time on the part of each carrier. Accordingly, slots can be allocated only for those airports that the competent member state declares to be “coordinated”, when capacity, verified in consultation with the parties involved, is not sufficient to meet all of the carriers' requests for slots, with particular attention to new entrants.

Each Milan Airport qualifies as a “coordinated airport” and, as a result, carriers must have been allocated a slot in compliance with the criteria set forth in the Slot Regulation.

The Slot Regulation assigned the task of coordinating airport operations to a single “coordinator” for each EU country, identified as a third independent party balancing the interest of carriers already operating at airports to keep their allocated slots with the need for new carriers to gain access to such airports, with a view to the gradual liberalisation of the market.

Pursuant to Italian Ministerial Decree No. 44 of 4 August 1997, the allocation of slots at Italian airports was entrusted to Assoclearance, an association among carriers and airport operators,

responsible for performing the duties contemplated by the Slot Regulation, in particular allocating slots at the IATA Conference, which is held twice a year.

Regarding the allocation procedure, the Slot Regulation provides that a carrier has the right to keep the slots allocated to it in a IATA season (winter or summer) only if, during the previous corresponding season (previous winter or previous summer, as the case may be), such carrier has operated at least 80% of these slots. Otherwise, the coordinator may move such underutilised slots in question into the pool of available slots and allocate such slots to other carriers that may have requested them. If the coordinator confirms that, following a carrier's failure to use the slots allocated to it, such carrier cannot in any case reach the 80% utilisation rate during the applicable season, it may revoke the slot from such carrier and reallocate it to other carriers that may have requested it.

The Slot Regulation also sets forth the general criteria for the allocation of new slots that may become available if existing slots are returned voluntarily by carriers, existing slots are revoked or capacity increases. In particular, upon new slots becoming available the Slot Regulation provides that, if requests exceed availability, 50% of the slots made available will be allocated with priority to new carriers and the remaining 50% to carriers already operating from the airport.

In addition, the Slot Regulation provides that, after the allocation of slots, the coordinator is required to monitor the actual use of such slots as well as compliance with the carriers' scheduled operations. In the event of a discrepancy between a carrier's scheduled times as defined during the IATA Conference and the actual times of such carrier's operations, the coordinator may take action using the available remedies, including the revocation of the slot.

Environmental regulation

There are several environmental aspects of Italian airport operations that involve a series of issues and, due to their peculiar nature, have not been specifically regulated. As a result, the regulatory framework for environmental protection at airports consists of general environmental laws and regulations at the national level, as well as regional laws and regulations in respect of those environmental matters for which regions have law- and rule-making authority.

Noise control is the only environmental protection area for which there are specific regulations that apply to airports. ENAC also issued regulations regarding certain specific environmental matters, such as noise levels and landfills. In addition, the ENAC-SEA Program Agreement requires SEA to organise and manage the Milan Airports in such a manner as to optimise the available resources for the provision of high-quality services in accordance with, *inter alia*, environmental protection principles, in order to assure regular and effective delivery of sanitation, waste collection and disposal, wastewater treatment and drinking water services.

SEA also ensures the supply of industrial water, electricity for lighting and engine power, and is responsible for air conditioning, biological purification and cleaning of the various airport areas, as well as the removal, treatment and destruction of waste.

The ENAC-SEA Program Agreement provides for the mandatory preparation of an environmental quality and protection plan, which indicates specific environmental protection targets. In accordance with the ENAC-SEA Program Agreement, SEA is committed to the improvement of the quality standards of its services and the environmental protection targets over the course of the regulatory period.

In particular, Ministerial Decree of 31 October 1997 attributes to airport operators responsibility for monitoring aircraft noise level in area surrounding airports ("*zone di rispetto*") ("**Surrounding Area**"). Such area has to be defined by an airport commission ("*commissione aeroportuale*"), managed by ENAC and participated by the surrounding municipalities. SEA complies with such regulation in monitoring noise levels and regularly provides to public authorities evidence of its results. Law No. 447/95 and Ministerial Decree 29 November 2000 also provide for duties of airport operators regarding the planning of action to reduce noise impact on "receivers" within the

Surrounding Area in case noise exceeds law limits (“*Piani degli interventi di contenimento e abbattimento del rumore*”). At Milan Linate Airport the Surrounding Area was defined in 2009 by the relevant airport commission, but noise level remains under the limits. At Milan Malpensa Airport, the airport commission has not yet defined the Surrounding Area.

In addition, SEA believes that ISO 14001 certification and the Airport Carbon Accreditation confirm the significant attention it dedicates to environmental matters, being environmentally proactive also when dealing with third parties including in all contracts clauses that encourage environmental protection in various respects (for example, on waste, water and drainage), reserving the right to terminate contracts entered by the Group with those third parties that fail to comply with these obligations.

TAXATION

Italian Tax Treatment of the Notes

The following is a general description of certain Italian tax considerations relating to the purchase, the ownership and the disposal of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not discuss every aspect of Italian taxation that may be relevant to a holder of the Notes especially but not only if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

This summary is based upon Italian tax laws and practice in effect as at the date of this Prospectus, which may be subject to change, potentially with retroactive effect. For Noteholders who are not resident in Italy for tax purposes, applicable tax treaties may reduce or nullify the Italian withholding tax rates or "substitute tax" ("imposta sostitutiva") set out below.

The Decree No. 239/1996 regulates the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from certain bond and similar securities issued, *inter alia*, by Italian resident stock companies whose shares are not listed in a regulated market or multilateral trading facility situated or operating in an EU country or in a white list country of the European Economic Area, provided that the bonds or similar securities are listed upon their issuance and traded on the aforementioned regulated markets or trading facilities. The provisions of Decree No. 239/1996 apply to Notes issued by the Issuer that qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917/1986**") and that are admitted to listing upon their issuance and traded on one of the above-mentioned regulated markets or trading facilities. For these purposes, securities similar to bonds ("*titoli similari alle obbligazioni*") are securities that incorporate an unconditional obligation for the issuer to actually pay, at maturity, an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Taxation of Interest

Italian resident Noteholders

Pursuant to Decree No. 239/1996, as amended:

- (a) payments of Interest are subject to a final *imposta sostitutiva* at the rate of 20 per cent. if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes not holding the Notes in connection with entrepreneurial activities; (ii) Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations; (iii) Italian resident public and private entities, other than companies and trusts, not carrying out commercial activities; and (iv) investors exempt from Italian corporate income taxation (in each case, unless the Noteholder have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the *Risparmio Gestito* regime according to Article 7 of Legislative Decree No. 461 of 21 November 1997 (see "*Capital gains*" below)).

In the event that the Noteholders described under (i) and (iii) above are engaged in entrepreneurial activities to which the Notes are connected, the *imposta sostitutiva* applies as

a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due;

- (b) payments of Interest in respect of Notes are not subject to *imposta sostitutiva* if made to beneficial owners that are: (i) Italian resident corporations or permanent establishments in Italy of non-resident entities to which the Notes are effectively connected; (ii) Italian resident collective investment funds, Italian resident pension funds and Italian resident real estate investment funds; (iii) Italian resident partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*); (iv) Italian resident Noteholders not holding the Notes in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the *Risparmio Gestito* regime.

To ensure that payment of Interest in respect of Notes is made without the application of the *imposta sostitutiva*, investors indicated in sub-paragraph (b) above must (i) be the beneficial owners of Interest payments; and (ii) deposit the Notes and the relevant coupons (if any) in due time directly or indirectly with an Italian authorised financial intermediary or a permanent establishment in Italy of a foreign intermediary (hereinafter referred to as the “**Intermediary**” and collectively, the “**Intermediaries**”).

Interest accrued on the Notes is included in the corporate taxable income (and in certain circumstances, depending on the “status” of the Noteholders, also in the net value of production for the purposes of regional tax on productive activities - IRAP) of beneficial owners who are Italian resident corporations or Italian permanent establishments of foreign entities to which the Notes are effectively connected, subject to taxation according to the ordinary rules and at the ordinary rates.

As clarified by the Italian Revenue Agency through the Resolution No. 43/E dated 2 July 2013, Italian resident collective investment funds or SICAV, established in Italy and subject (or whose manager is subject) to the supervision of a regulatory authority (respectively, the “**Funds**” and the SICAV) would not be subject to *imposta sostitutiva* provided that the Notes and the relevant coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary. In such case, Interest is included in the annual net accrued result of the Fund or SICAV and would not be taxable at Fund or SICAV level, but may be subject to a withholding tax of 20 per cent. upon distribution to the unitholders (final or on account depending on the status of the unitholder).

Italian pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005 (the “**Pension Funds**”) are generally subject to an 11 per cent substitute tax on their annual net accrued result. To the extent that the Notes and the relevant coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary, Interest on Notes is not subject to *imposta sostitutiva* but is included in the calculation of said annual net accrued result.

Where a Noteholder is an Italian resident real estate investment fund to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, as clarified by the Italian Revenue Agency in Circular No. 47/E dated 8 August 2003, No. 2/E dated 15 February 2012 and 11/E of 28 March 2012, Interest accrued on the Notes is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund 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 (the “**Real Estate Fund**”), to the extent that the Notes and the relevant Coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary. However, a withholding or a substitute tax at a rate of 20% will instead apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distribution, redemption or sale of the units or shares. Subject to certain conditions, income realised by the Real Estate Fund is attributed to the investors irrespective of its actual distribution and in proportion to the percentage of ownership of units on a tax transparency basis.

Non-Italian resident Noteholders

Interest in respect of Notes paid to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected, are not subject to *imposta sostitutiva* provided that:

- (a) such beneficial owners are resident, for tax purposes, in white-listed States or territories allowing for adequate exchange of information with Italy (including States and territories listed by Italian Ministerial Decree dated 4 September 1996, as amended from time to time). According to Law No. 244 of 24 December 2007, a decree still to be issued is proposed to introduce a new “white list” replacing the current one. Until the mentioned new “white list” is issued, those countries which are listed in the Ministerial Decree 4 September 1996 as amended from time to time are deemed “white listed countries”; and
- (b) all the requirements and procedures set forth in Decree No. 239/1996 and in its implementation rules in order to benefit from the exemption from *imposta sostitutiva* are met and complied with in due time.

Decree No. 239/1996 also provides for additional exemptions from *imposta sostitutiva* on Interest paid to (i) international bodies or entities set up in accordance with international agreements which have entered into force in Italy; (ii) institutional investors, whether or not subject to tax, established in a State or territory allowing for an adequate exchange of information with Italy; and (iii) Central Banks or other entities managing, *inter alia*, the official reserves of a foreign State.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes with (a) a resident bank or SIM; or a permanent establishment in Italy of a non-Italian resident bank or SIM; (b) a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economics and Finance; (c) a non-resident entity or company which has an account with a centralised clearance and settlement system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance; or (d) a centralised managing company of financial instruments, authorised in accordance with Article 80 of Legislative Decree No. 58 of 24 February 1998 (the Financial Services Act); (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001. The banks or brokers mentioned above must also receive all necessary information to identify the non-resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive. Additional declarations may be required from Noteholders that are institutional investors.

The *imposta sostitutiva* will be applicable at the rate of 20% (or at the reduced rate provided for by the applicable double tax treaty, if any) in the case that interest, premium and other income are paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy, or if any of the above conditions under (i) and (ii) is not satisfied.

Capital gains

Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997 (“**Decree No. 461**”) as amended, *inter alia*, by Decree No. 138, a 20 per cent. Italian capital gains tax (“**CGT**”) is in certain cases applicable to capital gains realised on the sale or transfer of the Notes for consideration or on redemption thereof.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of, respectively, the purchase and the sale of the Notes must be deducted both from the purchase price and the sale price

The CGT is payable on capital gains realised by Italian resident individual Noteholders not engaged in entrepreneurial activities to which the Notes are effectively connected. Such Noteholders can opt for one of the three following regimes:

- a) pursuant to the tax return regime (*Regime della Dichiarazione*), which is the standard regime, the Noteholder has to assess the overall capital gains realised in a given fiscal year, net of any relevant incurred capital losses, in his annual income tax return and pay CGT due on capital gains so assessed together with the income tax due for the same fiscal year. Capital losses exceeding capital gains can be carried forward to offset capital gains of the same kind in the following fiscal years up to the fourth. Pursuant to Decree No. 138, only 62.5 per cent. of capital losses incurred up to 31 December 2011 can be offset against capital gains realised after 31 December 2011 (within the original time framework). As such regime constitutes the ordinary regime, the Noteholder must apply it whenever he does not opt for any of the two other regimes;
- b) pursuant to the discretionary investment portfolio regime (*Risparmio Amministrato* regime), the Noteholder may elect to pay CGT separately on capital gains realised on each sale, transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with an Intermediary and (ii) an express election for the *Risparmio Amministrato* regime being made in due time in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year unless revoked. The Intermediary is responsible for accounting for CGT in respect of capital gains realised on each sale, transfer or redemption of the Notes. Where a particular sale, transfer or redemption of the Notes results in a net loss, the Intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same Intermediary within the same relationship of deposit, in the same fiscal year or in the following fiscal years up to the fourth. Pursuant to Decree No. 138, only 62.5 per cent. of capital losses incurred up to 31 December 2011 can be offset against capital gains realised after 31 December 2011 (within the original time framework). The Noteholder is not required to declare the gains in its annual income tax return and remains anonymous; and
- c) pursuant to the discretionary investment portfolio regime (*Risparmio Gestito* regime), if the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to CGT, but contribute to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc 20 per cent. substitute tax to be applied on behalf of the Noteholder by the asset management company. Any net capital losses of the investment portfolio accrued at year-end may be carried forward and offset against future net profits accrued in each of the following fiscal years up to the fourth one. Under such regime the Noteholder is not required to declare the capital gains in its annual income tax return and remains anonymous. Pursuant to Decree No. 138, only 62.5 per cent. of net capital losses of the investment portfolio accrued until 31 December 2011 may be carried forward and offset against future net accrued profits (within the original time framework).

Any capital gain realised upon the sale for consideration or redemption of the Notes is treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are (i) Italian resident companies or similar commercial entities; (ii) Italian permanent establishments of foreign entities to which the Notes are effectively connected; or (iii) Italian resident individuals engaged in entrepreneurial activities, where such capital gains are realised within the scope of the entrepreneurial activity carried out.

In the case of Notes held by Funds, capital gains realised upon disposal of the Notes are not taxable at the level of such Funds. Generally, a 20 per cent. withholding tax applies on distributions to the unitholders (on account of taxes or as final tax depending on the status of the unitholder), subject to certain exemptions. In the case of Notes held by Italian Pension Funds, capital gains on the Notes contribute to determine the annual net accrued result of same Pension Funds, which is generally subject to an 11 per cent. substitute tax. Capital gains on Notes held by Italian Real Estate Funds are not taxable at the level of same Real Estate Investment Funds, save for the tax regime introduced by Law Decree No. 70 of 13 May 2011 with respect to the taxation of units holders (see “–Taxation of Interest”).

Non-Italian resident Noteholders

According to the provisions set forth by Articles 23 and 67 of the Decree No. 917/1986, the 20 per cent. CGT provided for by Art. 5 of Decree No. 461 may in certain circumstances be payable on capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917/1986, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market (as defined in the EC Directive No. 2004/39/EC) in Italy or abroad, and that in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions of any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- a) pursuant to Article 5 of Decree No. 461, and to Article 6 of Decree No. 239/1996, non-Italian resident beneficial owners of Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a country which recognises the Italian tax authorities’ right to a satisfactory exchange of information (included in the “white list” as amended and supplemented, see “–Taxation of Interest”).

In this circumstance, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains applies on the condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement of residence, for tax purposes, in one of the above mentioned countries which recognises the Italian fiscal authorities’ right to a satisfactory exchange of information;

- b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, subject to the relevant procedural requirements are not subject to taxation in Italy on any capital gains realised upon sale for consideration or redemption of the Notes.

In these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains generally applies on the condition that they file in time with the authorised financial intermediary

appropriate documents which include, *inter alia*, a certificate of residence from the competent tax authorities of the country of residence of the non-Italian resident.

Inheritance and gift taxes

Subject to certain conditions, transfer of Notes, *mortis causa* or by reason of donation, are subject to inheritance and gift taxes.

Inheritance and gift taxes apply according to the following rates and exclusions:

- (a) transfers to spouses and to direct relatives: 4 per cent. on the value of the inheritance or gift (including the Notes) exceeding €1 million for each beneficiary;
- (b) transfers to brothers and sisters: 6 per cent. on the value of the inheritance or gift (including the Notes) exceeding €100,000 for each beneficiary;
- (c) transfers to relatives (*parenti*) within the fourth degree, to direct relatives in law (*affini in linea retta*), indirect relatives in law (*affini in linea collaterale*) within the third degree other than the relatives indicated above: 6 per cent. on the value of the inheritance or gift (including the Notes); and
- (d) other transfers: 8 per cent. on the value of the inheritance or gift (including the Notes).

If the heir/beneficiary is affected by a handicap deemed “critical” pursuant to Law No. 104 of 5 February 1992, inheritance and gift taxes apply only on the value of the inheritance or gift (including the Notes) exceeding € 1,500,000, at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

With respect to notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Italian inheritance tax and gift tax apply also to non-Italian-resident individuals for notes issued by Italian resident companies.

Transfer tax and stamp duty (bollo) on securities account (deposito titoli)

Article 37 of Law Decree No. 248 of 31 December 2007, converted into law by Law No. 31 of 28 February 2008, abolished the Italian transfer tax (*fissato bollato*) provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to a lump sum €200 registration tax; (ii) private deeds (*scritture private non autenticate*) should be subject to a lump sum €200 registration tax only in the case of use or voluntary registration.

Pursuant to Law Decree 201/2011, as recently amended by Article 1, paragraph 581, of Law No. 147 of 27 December 2013, subject to certain conditions, a stamp duty (*bollo*) may be due at the rate of 0.2 per cent., computed on the market value of the Notes, if deposited with an Italian resident financial intermediary or with an Italian permanent establishment of a foreign financial intermediary. Should the market value be absent the tax base would generally correspond to the nominal or redemption value of the Notes. The stamp duty cannot exceed €14,000, for taxpayers different from individuals.

If the Notes are held abroad (*i.e.*, with foreign financial intermediary or with a foreign permanent establishment of an Italian financial intermediary) by Italian resident individuals, a property tax is due

at the rate of 0.2 per cent, computed on the market value of the Notes. Should the market value be absent the tax base would generally correspond to the nominal or redemption value of the Notes. Taxpayers are permitted to deduct from the wealth tax a credit equal to any wealth taxes paid in the State where the financial assets are held (up to the amount of the Italian wealth tax due).

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, individuals, non-profit entities and certain partnerships (in particular, *società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917/1986) resident in Italy under certain conditions are generally required to report in their yearly income tax return, for tax monitoring purposes, the amount of securities (including the Notes) held abroad during the tax year.

Also the above mentioned persons qualifying as beneficial owner (“*titolari effettivi*”) of the securities (including the Notes) in accordance with Article 1(2)(u) and the Technical Annex of the Decree No. 231 of 21 November 2007 shall have to report them in their tax return.

The above persons are, however, not required to comply with the above reporting requirements in respect of securities deposited for management with qualified Italian financial intermediaries and in respect of contracts entered into through their intervention, upon condition that the items of income derived from such securities are subject to withholding tax or substitute tax by the same financial intermediaries.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (“**EU Savings Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State (or certain dependent or associated territories) or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On 10 April 2013, Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The European Commission has proposed certain amendments to the EU Savings Directive which, if implemented, may amend or broaden the scope of the requirements described above.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings 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 (or certain dependent or associated territories), 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.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, in a subscription agreement dated 16 April 2014 (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 for the Notes. The Issuer has also agreed to pay certain combined commissions to the Managers as set out therein and 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, in all cases at its own expense.

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 Closing Date, except in accordance with Rule 903 of Regulation S. Accordingly, none of the Joint Lead Managers, any of their respective 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 each of 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 (ii) otherwise, until forty (40) days after the later of the commencement of the offering and the Closing 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) (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); 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) 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 CONSOB Regulations including 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, 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.

France

Each Joint Lead Manager has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

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 Closing Date.
2. ***Authorisation.*** The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the obligations under the Notes. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 2 April 2014.
3. ***Expenses Related to Admission to Trading.*** The total expenses related to admission to trading are estimated at €13,041.20.
4. ***Legal and Arbitration Proceedings.*** Save as disclosed in “*Business description of the Group – Legal, administrative and other 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 consolidated financial statements of the Group as at and for the years ended 31 December 2012 and 2013 have been prepared in accordance with IFRS and have been audited without qualification by, respectively, PricewaterhouseCoopers S.p.A., which is registered under No. 119644 in the Single Register of Legal Auditors at the Ministry of Economy and Finance (*Registro Unico dei Revisori Legali presso il Ministero dell’Economia e delle Finanze*), State General Accounting (*Ragioneria Generale dello Stato*) and Deloitte & Touche S.p.A., which is registered under No. 132587 in the Single Register of Legal Auditors at the Ministry of Economy and Finance (*Registro Unico dei Revisori Legali presso il Ministero dell’Economia e delle Finanze*), State General Accounting (*Ragioneria Generale dello Stato*). PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A. are also members of ASSIREVI, the Italian association of auditing firms.
6. ***Significant Material Change.*** Save as disclosed in this Prospectus, including in sections “*Business Description of the Group – Recent Developments*” and in “*Documents Incorporated by Reference*”, since 31 December 2013, there has been no material adverse change in the prospects of the Issuer and there has been no significant change in the financial or trading position of the Group.
7. ***Documents on Display.*** For so long as any of the Notes are outstanding, electronic copies of the following documents may be inspected during normal business hours at the specified office of each Paying Agent:
 - (a) the constitutive documents of the Issuer;
 - (b) the Trust Deed;
 - (c) the Agency Agreement; and
 - (d) the most recently published audited consolidated annual financial statements of the Issuer.

An electronic copy of this Prospectus and any document incorporated by reference in this Prospectus will also be 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 XS1059994373 and the Common Code is 105999437. 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 upon an issue price of 99.15 per cent. of the principal amount of the Notes, the yield on the Notes is 3.125 per cent. on an annual basis. The yield is calculated at the Closing Date on the basis of the issue price. It is not an indication of future yield.
11. **Potential Conflicts of Interest.** Certain of the Joint Lead Managers 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 in the ordinary course of business. 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. Certain of the Joint Lead Managers or their affiliates have a lending relationship with the Issuer and the proceeds from the Offering will be used in part to repay the amounts outstanding under the existing facilities. In addition, the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit 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” include also parent companies.

REGISTERED OFFICE OF THE ISSUER

Società per Azioni Esercizi Aeroportuali S.E.A. S.p.A.

Aeroporto di Linate
20090 Segrate (MI)
Italy

PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch

33, rue de Gasperich-Hesperange
L-5826 Luxembourg
Grand Duchy of Luxembourg

TRUSTEE

BNP Paribas Trust Corporation UK Limited

55 Moorgate
London, EC2R 6PA
United Kingdom

LEGAL ADVISERS

*To the Issuer as to
English law:*

White & Case LLP
5 Old Broad Street
London, EC2N 1DW
United Kingdom

*To the Issuer as to
Italian law:*

White & Case (Europe) LLP
Piazza Diaz 1
20123 Milan
Italy

To the Issuer as to Italian tax law

Gianni Origoni Grippo Cappelli & Partners

Piazza Belgioioso 2
20121 Milan
Italy

*To the Joint Lead Managers as to
Italian and English law:*

Studio Legale Associato
in association with Linklaters
Via Broletto, 9
20121 Milan
Italy

To the Trustee as to English law:

Linklaters LLP
One Silk Street
London, EC2Y 8HQ
United Kingdom

AUDITORS TO THE ISSUER

PricewaterhouseCoopers S.p.A.

Via Monte Rosa 91
20149 Milan
Italy

Deloitte & Touche S.p.A.

Via Tortona 25
20144 Milan
Italy

LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

33, rue de Gasperich-Hesperange
L-5826 Luxembourg
Grand Duchy of Luxembourg