SUPPLEMENT DATED 20 JANUARY 2017 TO THE
OFFERING CIRCULAR DATED 27 OCTOBER 2016

Atlantia S.p.A.

(incorporated as a joint stock company in the Republic of Italy)

€3,000,000,000

Euro Medium Term Note Programme

This base prospectus supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the Offering Circular dated 27 October 2016 (the "**Offering Circular**") prepared by Atlantia S.p.A. ("**Atlantia**" or the "**Issuer**") with respect to its €3,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Offering Circular have the same meaning when used in this Supplement. References to titled sections in this Supplement are to the relevant sections of the Offering Circular.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive.

This Supplement and the information incorporated by reference herein are available for viewing, and copies may be obtained from, the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in London and Dublin.

With effect from the date of this Supplement, the Offering Circular shall be amended and supplemented in the manner described in this Supplement and each reference in the Offering Circular to "Offering Circular" shall be read and construed as a reference to the Offering Circular as amended and supplemented by this Supplement. To the extent that there is any inconsistency between (a) any statements in or incorporated by reference into this Supplement and (b) any statement in or incorporated by reference into the Offering Circular, the statements in this Supplement will prevail.

The purpose of this Supplement is to supplement the Offering Circular with: (i) the unaudited consolidated financial statements of Atlantia as at and for the nine month period ended 30 September 2016; (ii) recent developments in the Group's business, including regarding the Issuer's credit rating; and (iii) certain developments in Italian taxation legislation.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen or been noted since the publication of the Offering Circular.

The credit ratings included or referred to in this Supplement have been issued by Moody's Investors Service Ltd ("**Moody's**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Moody's is established in the European Union and is included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"). This list is available on the ESMA website (http://www.esma.europa.eu/page/list-registered-and-certified-CRAs) (last updated on 1 December 2015).

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

Any websites referred to herein do not form part of this Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

The following information has been filed with the Central Bank and shall be deemed to be incorporated by reference into the Offering Circular and shall supplement the section entitled "Incorporation by Reference" in the Offering Circular on page 20 thereof:

(a) the unaudited consolidated financial statements of Atlantia as at and for the nine month period ended 30 September 2016, available at:

http://www.atlantia.it/documents/20184/38783/2016-11-14_Relazione_trimestrale_al_30_settembre_2016_del_Gruppo_Atlantia-eng.pdf/dddbe80f-d638-4291-b9fb-478af36ba25b,

including the information set out at the following pages in particular:

	As at 30 September 2016
Unaudited consolidated financial statements of the Issuer	
Consolidated income statement	Page 43
Consolidated statement of financial position	Pages 44 - 45
Consolidated statement of cash flow	Page 46
Additional information on the consolidated statement of cash flow	Page 47
Reconciliation of net cash and cash equivalents	Page 47
Declaration by the manager responsible for financial reporting pursuant to section 2 of art. 154 *bis* of Legislative Decree 58/1998	Page 91

(b) a press release entitled "Board approves interim report for nine months ended 30 September 2016", available at:

http://www.atlantia.it/en/area-stampa/-/page/-/page/content-Board_approves_Interim_Report_for_nine_months_ended_30_September_2016.html?id=1036&lang=en&year=2016.

Non-IFRS financial measures

The documents incorporated by reference in this Supplement contain references to EBITDA. In the Isssuer's unaudited consolidated financial statements, EBITDA is calculated as operating profit, plus impairment losses on assets and reversals of impairment losses, amortisation, depreciation, and provisions and other adjustments. EBITDA is not a measurement of performance under IFRS and should not be considered by prospective investors as an alternative to (a) net profit/(loss) as a measure of the Isssuer's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Isssuer's ability to meet its cash needs or (c) any other measure of performance under IFRS.

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

ADDITIONS TO THE OFFERING CIRCULAR

Credit rating

The paragraph set out below shall supplement (i) the cover page of the Offering Circular and (ii) the section entitled "Overview of the Programme – Ratings" and shall be deemed to be incorporated in the Offering Circular in its entirety (i) in the cover page, after the paragraph ending with the following sentence: "A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency", and (ii) at page 18, at the end of the section entitled "Overview of the Programme – Ratings".

On 12 December 2016, Moody's affirmed the (P)Baa2 rating on the Programme and the Baa1 senior unsecured ratings of Atlantia. The outlook on the ratings was changed from "stable" to "negative".

In addition, on 12 December 2016, Moody's affirmed the Baa1 issuer rating of ASPI, the Baa1 senior unsecured ratings of ASPI and the (P)Baa1 senior unsecured EMTN programme rating of ASPI. The outlook on the ratings was changed from "stable" to "negative".

Finally, on 12 December 2016, Moody's affirmed the Baa1 senior unsecured and senior secured ratings of AdR and the (P)Baa1 senior unsecured EMTN programme rating of AdR. The outlook on the ratings was changed from "stable" to "negative".

Risk Factors

The new risk factor set out below shall supplement the section of the Offering Circular entitled "Risk Factors — Risks related to the Notes generally" and shall be deemed to be incorporated in the Offering Circular in its entirety at page 10, after the risk factor entitled "Tax law in Italy may restrict the deductibility of all or a portion of the interest expenses of the Issuer or the Group's indebtedness, including interest expenses in respect of the Notes".

Investing in the Notes may negatively impact on the "Aiuto alla Crescita Economica" (ACE) benefit available to certain Italian resident noteholders (or Italian permanent establishments of non-resident noteholders)

Effective as of the fiscal year following the fiscal year that was current on 31 December 2015, Article 1(550) of Law No. 232 of 11 December 2016 (Finance Act 2017) added paragraph 6-*bis* to Article 1 of Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011. Under this new rule, the base upon which the "*Aiuto alla Crescita Economica*" benefit set forth in Article 1 of Law Decree No. 201 of 6 December 2011 (ACE Benefit) is computed is reduced by an amount equal to the positive difference (if any) between (i) the aggregate book value of securities (*titoli e valori mobiliari*) other than shares reported in the taxpayer's financial statements for the relevant fiscal year and (ii) the aggregate book value of securities (*titoli e valori mobiliari*) other than shares reported in the taxpayer's financial statements for the fiscal year that was current on 31 December 2010. Only Italian resident persons carrying on an entrepreneurial activity (and in particular Italian resident corporations) and Italian permanent establishments of non-resident persons can enjoy the ACE Benefit. The new restrictive rule enacted by Finance Act 2017 applies only to taxpayers other than banks and insurance companies.

Because of this new rule, the investment in the Notes by Italian resident noteholders (other than banks and insurance companies) might reduce the amount of the ACE Benefit that they may be able to enjoy. Noteholders are thus urged to consult their own tax advisers concerning the implications that holding the Notes may have on the ACE Benefit available to them.

In addition, the risk factor on page 11 of the ASPI Prospectus, entitled "the Issuer has guaranteed several series of notes issued by Atlantia pursuant to Atlantia's separate Euro Medium Term Note Programme, which may be transferred to the Issuer as part of a planned reorganisation of the

Atlantia Group's debt, and has borrowed the proceeds under intercompany loans", which was incorporated by reference in the Offering Circular, shall be deemed to be deleted in its entirety.

Recent Developments

The information set out below shall supplement the section of the Offering Circular entitled "Business Description of the Group" and shall be deemed to be incorporated in the Offering Circular in its entirety at page 31, in the section "Recent Developments".

Acquisition of Aéroports de la Côte d'Azur

On 9 November 2016, Atlantia announced the acquisition from the French Government and the Department of Alpes-Maritimes, through the consortium Azzurra Aeroporti S.r.l. ("**Azzurra Aeroporti**"), of a 64.0% stake in the share capital of Aéroports de la Côte d'Azur, the holding company of the Nice, Cannes-Mandelieu and Saint Tropez airports and the international network of Fixed Base Operators Sky Valet, for a total consideration of approximately €1.3 billion. Azzurra Aeroporti is 65.01% owned by Atlantia, 10.0% by AdR and 24.99% by EDF Invest.

The acquisition was financed through a five-year acquisition financing facility of €653.0 million granted to Azzurra Aeroporti by a pool of banks, including, amongst others, Cassa Depositi e Prestiti, UniCredit S.p.A., Intesa Sanpaolo S.p.A., MPS Capital Services and Bank of Tokyo-Mitsubishi UFJ.

Acquisition of Equity Stake in SAVE S.p.A.

On 30 November 2016, Atlantia announced that it had reached an agreement with Fondazione di Venezia for the acquisition of a 0.8% stake in the share capital of SAVE (the "**Second SAVE Agreement**"). Under the Second SAVE Agreement, the price per SAVE share is €15.25 (the "**Second Specified SAVE Share Price**"), for a total consideration of approximately €6.75 million. The Second SAVE Agreement provides for a mechanism of partial upward price adjustment in the event that in the next three years a public purchase or exchange offer is launched on the SAVE shares at a price which is higher than the Second Specified SAVE Share Price.

Following such acquisition, as of the date of this Supplement Atlantia holds a 22.1% stake in the share capital of SAVE.

Issue of notes and tender offer by ASPI in respect of Atlantia notes

On 1 December 2016, ASPI issued €600 million 1.75 percent notes due 2027 under its €7 billion Medium Term Note Programme, dated 27 October 2016 (the "**ASPI EMTN Programme**").

On 2 December 2016, ASPI announced the final results of its invitation launched on 24 November 2016 to the holders of each series of the outstanding (i) €1,000,000,000 3.375 per cent. Notes due 18 September 2017 (the "**2017 Notes**"), (ii) €1,000,000,000 4.500 per cent. Notes due 8 February 2019 (the "**2019 Notes**") and (iii) €750,000,000 4.375 per cent. Notes due 16 March 2020 (the "**2020 Notes**") issued by Atlantia and guaranteed by ASPI (collectively, the "**Tendered Notes**").

At the expiration deadline of the tender offer, €147,900,000 in aggregate principal amount of the Tendered Notes had been validly tendered pursuant to the Offers and ASPI accepted for purchase all such Tendered Notes on 6 December 2016.

Commencement of Atlantia Share Buyback Programme

On 1 December 2016, Atlantia announced its intention to commence a share buyback programme, in accordance with and for the purposes of the market practices permitted by CONSOB, in order to increase the liquidity of its shares and to acquire a portfolio of ordinary shares to be held in treasury with a view to medium- and long-term investment, including in the form of a long-term shareholding, or to take advantage of market opportunities (the "**Atlantia Share Buyback Programme**").

The Atlantia Share Buyback Programme regards the buyback of up to 39,258,523 of Atlantia's ordinary shares (which, as of 1 December 2016, represented approximately 4.75% of the issued capital) with a par value of €1.00 each, within the limits provided for by law and taking into account the treasury shares already held by Atlantia (which, as of 31 December 2016, amounted 5,436,047 treasury shares, equivalent to approximately 0.66% of the issued capital of Atlantia).

Resignation of Director

On 1 December 2016, Atlantia announced that Mr. Gianni Mion, a non-executive and non-independent director of Atlantia, had notified his resignation with effect from 31 December 2016. On 20 January 2017 the Board of Directors of Atlantia appointed Mr. Marco Patuano as new director in substitution of Mr. Gianni Mion.

Issuer Substitution and Private Notes Amendments

On 8 July 2016, the boards of directors of Atlantia and ASPI approved a plan to "*ring fence*" the debt of ASPI by 2025 via:

- under the following seven series of notes issued by Atlantia in public syndicated transactions and guaranteed by ASPI (the "**Public Notes**"), the substitution as issuer of ASPI in place of Atlantia as the principal debtor, and the provision of a guarantee by Atlantia (the "**Issuer Substitution**"):
    - EUR 1,000,000,000 3.375 per cent. Senior Guaranteed Notes due 18 September 2017 (ISIN: XS0542522692);
    - EUR 1,000,000,000 4.500 per cent. Senior Notes due 8 February 2019 (ISIN: XS0744125302);
    - EUR 750,000,000 4.375 per cent. Senior Guaranteed Notes due 16 March 2020 (ISIN: XS0828749761);
    - EUR 750,000,000 2.875 per cent. Senior Guaranteed Notes due 26 February 2021 (ISIN: XS0986174851);
    - GBP 500,000,000 6.250 per cent. Notes due 9 June 2022 (ISIN: XS0193942124);
    - EUR 1,000,000,000 5.875 per cent. Notes due 9 June 2024 (ISIN: XS0193945655); and
    - EUR 500,000,000 4,375 per cent. Senior Guaranteed Notes due 16 September 2025 (ISIN: XS0542534192); and
- under the following six series of notes issued by Atlantia on a private placement basis and guaranteed by ASPI (the "**Private Notes**"), the substitution as issuer of ASPI in place of Atlantia, the provision of a guarantee by Atlantia until 2025 and various amendments to the terms and conditions (the "**Private Notes Amendments**"):
    - EUR 135,000,000 Zero Coupon Senior Guaranteed Notes due 2 April 2032 (ISIN: XS0761524205);
    - EUR 35,000,000 4.800 per cent. Senior Notes due 9 June 2032 (ISIN: XS0789521480);
    - EUR 75,000,000 3.750 per cent. Senior Notes due 9 June 2033 (ISIN: XS0928529899);
    - EUR 125,000,000 3.240 per cent. Senior Notes due 10 June 2034 (ISIN: XS1075052024);
    - EUR 75,000,000 3.625 per cent. Senior Notes due 9 June 2038 (ISIN: XS1024746353); and

- JPY 20,000,000,000 2.730 per cent. Notes due 10 December 2038 (ISIN: XS0468468854).

After completion of the Private Notes Amendments, certain series of the Private Notes, which were originally not listed, were listed on the regulated market of the Irish Stock Exchange. Therefore, as of the date of this Supplement, all the Private Notes are listed on the regulated market of the Irish Stock Exchange.

On 14 December 2016, holders of the Private Notes approved, amongst others, the Private Notes Amendments, including certain amendments to the terms and conditions of the Private Notes to align them with those of the notes issued by ASPI under the ASPI EMTN Programme, including to the cross default provision. In addition, on 21 December 2016, a supplemental trust deed and a supplemental agency agreement in respect of each series of Public Notes and Private Notes were executed, as a result of which the Issuer Substitution and the Private Notes Amendments were implemented.

Furthermore, on 22 December 2016 Atlantia and ASPI terminated the intra-group financing arrangements which were initially entered into in relation to the Public Notes and the Private Notes.

As a result of these transactions, after 2025 "*ring fencing*" will have been achieved because: (i) all of the Public Notes will have matured; (ii) Atlantia will no longer guarantee any of the series of Private Notes; and (iii) the amendments to the terms and conditions of the Private Notes will permit ASPI to have substantially the same terms and conditions across all series of notes, whether originally issued by Atlantia or ASPI.

The notes issued by Atlantia and distributed to Italian retail investors in 2012, which are due to mature in 2018, will not be affected by the Issuer Substitution or the Private Notes Amendments.

2017 toll increases for network managed by ASPI

According to the decree issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance, the tolls of the network managed by ASPI will increase by 0.64% from January 2017.

Group reorganization

On 30 December 2016, as part of the Group's reorganisation plan announced on 19 October 2016, Atlantia announced that a 100% stake in the share capital of Telepass S.p.A. and a 61.2% stake in the share capital of Stalexport Autostrady S.A. had been transferred from ASPI and Autostrade Tech S.p.A. to Atlantia.

In order to complete this transaction and for its general corporate purposes, Atlantia entered into several short term lines of credit. In the context of such reorganization, Atlantia also granted to Autostrade dell'Atlantico S.r.l. ("**AdA**") an intercompany loan of €351.0 million and AdA distributed its reserve for advances on capital contributions to ASPI for a total amount of €398.0 million. The control of AdA is expected to be transferred from ASPI to Atlantia in the first quarter of 2017.

Lines of credit granted to AdR by BEI and CDP

On 13 December 2016 and 27 December 2016, in order to finance the expansion and improvement of Fiumicino, AdR entered into two new lines of credit granted by the European Investment Bank ("**EIB**") and Cassa Depositi e Prestiti ("**CDP**"), respectively (being both lines funded by BEI), for a total amount of €300.0 million. The two lines of credit granted by EIB and CDP have a period of availability of 18 months and 3 years, respectively, and a repayment term of 15 years with an amortisation plan based on constant capital repayments.

TAXATION

The section "Taxation - Italy" on pages 85 to 93 of the Offering Circular shall be deleted and replaced with the following section.

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made also on a retroactive basis. The following does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their acquiring, holding and disposing of the Notes, including, without limitation, the tax consequences of receiving payments of interest, principal or other amounts under the Notes

*On 7 December 2016, the Italian Parliament approved Law No. 232 of 11 December 2016, published in the Ordinary Supplement to the Official Gazette No. 297 of 21 December 2016 ("***Finance Act 2017***").*

Italy

Tax Treatment of Interest

Legislative Decree No. 239 of 1 April 1996 as subsequently amended and restated ("**Decree 239**") sets forth the Italian tax regime applicable to interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes that are issued, inter alia, by:

a) joint-stock corporations that are resident in Italy for tax purposes and whose shares are admitted to trading on a regulated market or on a multilateral trading facility of (i) an EU Member State, or (ii) a State that is a party to the European Economic Area Agreement ("EEA State") and is included in the list of countries and territories that allow an adequate exchange of information as contained (I) as at the date of this Offering Circular in the Decree of the Ministry of Economy and Finance of 4 September 1996, as subsequently amended and restated, including the amendments enacted by the Decree of the Ministry of Economy and Finance of 9 August 2016, published in the Official Gazette on 22 August 2016 ("**White List**"), or (II) once effective in any other decree or regulation that may be issued in the future under the authority of Article 11(4)(c) of Decree 239 to provide the list of such countries and territories ("**New White List**"), including any country or territory that will be deemed listed therein for the purpose of any interim rule; or

b) other companies that are resident for tax purposes in Italy if the notes are admitted to trading on a regulated market or on a multilateral trading facility of (i) an EU Member State, or (ii) an EEA State that is included in the White List (or in the New White List once this is effective),

provided that the notes fall within the category of bonds (*obbligazioni*) or bond-like securities (*titoli similari alle obbligazioni*).

For these purposes, under Article 44(2)(c) of Presidential Decree No. 917 of 22 December 1986 ("**Decree 917**"), bonds and bond-like securities (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to pay, at maturity (or at any earlier full redemption of the securities), an amount not lower than their nominal/par value/principal and that do

not grant the holder any direct or indirect right of participation in (or control on) the management of the Issuer or of the business in connection with which these securities are issued.

Italian resident Noteholders

Noteholders not Engaged in an Entrepreneurial Activity

Where an Italian resident beneficial owner of the Notes (a "**Noteholder**") is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(b) a non-business partnership;

(c) a non-business private or public entity (other than Italian undertakings for collective investment); or

(d) an investor exempt from Italian corporate income tax,

then Interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*) levied at the rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and, if meeting the relevant conditions, has validly opted for the application of the "*Risparmio Gestito*" regime provided for by Article 7 of Decree No. 461 of 21 November 1997 ("**Decree 461**"). In such latter case the Noteholder is subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each fiscal year (which increase would include Interest accrued on the Notes). The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "*Tax Treatment of Capital Gains*" below.

Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be exempt from any income taxation (including from the 26 per cent. *imposta sostitutiva*) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017.

Noteholders Engaged in an Entrepreneurial Activity

In the event that the Italian resident Noteholders described under clauses (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be subject to *imposta sostitutiva* on a provisional basis and will then be included in the relevant beneficial owner's income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due.

If a Noteholder is an Italian resident company or similar business entity, a business partnership, or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income tax ("**IRES**") and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities ("**IRAP**").

Italian Real Estate Alternative Investment Funds (Real Estate Investment Funds and Real Estate SICAFs)

Under Law Decree No. 351 of 25 September 2001 ("**Decree 351**"), converted into law with amendments by Law No. 410 of 23 November 2001, Article 32 of Law Decree No. 78 of 31 May 2010, converted into law with amendments by Law No. 122 of 30 July 2010, and Article 2(1)(c) of Decree 239, payments of Interest deriving from the Notes to Italian resident real estate investment funds are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Italian real estate investment fund, provided that the Notes, together with the relevant coupons, are timely deposited with an authorised intermediary. However, a withholding tax or a substitute tax at the rate of 26 per cent. will generally apply to income realised by unitholders in the event of distributions, redemption or sale of the units.

Subject to certain conditions, income realised by Italian real estate investment funds is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Under Article 9 of Legislative Decree No. 44 of 4 March 2014 ("**Decree 44**"), the above regime applies also to Interest payments made to closed-ended real estate investment companies (*società di investimento a capitale fisso immobiliari*, or "**Real Estate SICAFs**") which meet the requirements expressly provided by applicable law.

Undertakings for Collective Investment (Funds, SICAFs and SICAVs)

If an Italian resident Noteholder is an open-ended or a closed-ended collective investment fund ("**Fund**"), a closed-ended investment company (*società di investimento a capitale fisso*, or "**SICAF**") other than a Real Estate SICAF or an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") established in Italy and either (i) the Fund, the SICAF or the SICAV or (ii) their manager is subject to supervision by the competent regulatory authority and the Notes are deposited with an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*. Interest must, however, be included in the management results of the Fund, the SICAF or the SICAV accrued at the end of each tax period. The Fund, the SICAF or the SICAV will not be subject to *imposta sostitutiva*, but a withholding tax of 26 per cent. will be levied, in certain circumstances, on proceeds distributed in favour of unitholders or shareholders by the Fund, the SICAF or the SICAV.

Pension Funds

If an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the pension fund as calculated at the end of the tax period, which will be subject to a 20 per cent. substitute tax.

Application of Imposta Sostitutiva

Under Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**"), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must (a) be resident in the Republic of Italy or be a permanent establishment in the Republic of Italy of a non-Italian resident financial intermediary or an organisation or a company not resident in the Republic of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance

(which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239, and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited. If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary (or permanent establishment in Italy of a non-resident financial intermediary) paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian Resident Noteholders

If the Noteholder is a non-Italian resident without a permanent establishment in the Republic of Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

(a) resident, for tax purposes, in a country which is included in the White List (or in the New White List once this is effective); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or

(c) a central bank or an entity which manages, inter alia, official reserves of a foreign State (including sovereign wealth funds); or

(d) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List (or in the New White List once this is effective), even if it does not possess the status of a taxpayer in its own country of establishment.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with:

(a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "First Level Bank"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or brokerage company (SIM), acting as depositary or sub depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "Second Level Bank"). Organisations and companies that are not resident of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239. In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident Noteholders is conditional upon:

(a) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(b) the submission, at the time or before the deposit of the Notes, to the First Level Bank or the Second Level Bank (as the case may be) of an affidavit by the relevant Noteholder (autocertificazione), to be provided only once, in which it declares, inter alia, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the imposta sostitutiva.

This affidavit, which is required neither for international bodies or entities set up in accordance with international agreements that have entered into force in Italy nor for foreign central banks or entities which manage, inter alia, official reserves of a foreign State, must comply with the requirements set forth by the Italian Ministerial Decree of 12 December 2001 and is valid until withdrawn or revoked (unless some information provided therein has changed). The affidavit need not be submitted if a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption or do not timely and properly comply with set requirements.

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, provided that the relevant conditions are satisfied (including documentary fulfilments).

Tax Treatment of Capital Gains

Italian Resident (and Italian Permanent Establishment) Noteholders

Noteholders Not Engaged in an Entrepreneurial Activity

If an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-business partnership, (iii) a non-business private or public entity, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax ("**CGT**"), levied at the rate of 26 per cent. Noteholders may set off any losses against their capital gains subject to certain conditions.

In respect of the application of CGT, taxpayers may opt for any of the three regimes described below.

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholder holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given fiscal year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any fiscal year, net of any relevant incurred capital loss, in the annual tax return and pay CGT on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward and offset against capital gains realised in any of the four following fiscal years. Under Decree No. 66 of 24 April 2014 ("Decree 66"), capital losses may be carried forward and offset against capital gains of the same nature realised as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1

January 2012 to 30 June 2014; and (iii) 100 per cent. of the capital losses realised from 1 July 2014.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay CGT separately on capital gains realised on each sale or redemption of the Notes (nondiscretionary investment portfolio regime, "*regime del risparmio amministrato*") (optional). Such separate taxation of capital gains is allowed subject to:

i. the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-resident intermediaries); and
ii. an express election for the nondiscretionary investment portfolio regime being timely made in writing by the relevant Noteholder.

The depository must account for CGT in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the nondiscretionary investment portfolio regime, any possible capital loss resulting from a sale or redemption of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same fiscal year or in the following fiscal years up to the fourth. Under the nondiscretionary investment portfolio regime, the Noteholder is not required to declare the capital gains / losses in the annual tax return. Under Decree 66, capital losses may be carried forward and offset against capital gains of the same nature realised as of 1 July 2014 for an overall amount of: (i) 48.08 per cent of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014; and (iii) 100 per cent. of the capital losses realised from 1 July 2014.

(c) Under the discretionary investment portfolio regime (*regime del risparmio gestito*) (optional), any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the year-end may be carried forward and offset against any increase in value of the managed assets accrued in any of the four following fiscal years. Under Decree 66, decreases in value of the managed assets may be carried forward and offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent of the relevant decreases in value occurred before 1 January 2012; (ii) 76.92 per cent of the decreases in value occurred from 1 January 2012 to 30 June 2014; and (iii) 100 per cent. of the decreases in value occurred from 1 July 2014. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26 per cent. CGT) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017.

Noteholders Engaged in an Entrepreneurial Activity

Any gain realised upon the sale or the redemption of the Notes would be treated as part of the taxable business income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar business entity (including the Italian permanent establishment of non-resident entities to which the Notes are connected), a business partnership or an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected.

Italian Real Estate Alternative Investment Funds (Real Estate Investment Funds and Real Estate SICAFs)

Any capital gains realised by a Noteholder which is an Italian real estate investment fund or an Italian Real Estate SICAF to which the provisions of Decree 351 or Decree 44 apply will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF (see "*Tax Treatment of Interest*"). However a withholding tax or a substitute tax at the rate of 26 per cent. will generally apply to income realised by unitholders/shareholders in the event of distributions, redemption or sale of units / shares.

Undertakings for Collective Investment (Funds, SICAFs and SICAVs)

Any capital gains realised by a Noteholder which is a Fund, a SICAF (other than a Real Estate SICAF) or a SICAV will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAF or the SICAV, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units / shares may be subject to a withholding tax of 26 per cent. (see "*Tax Treatment of Interest*").

Pension Funds

Any capital gains realised by a Noteholder that is an Italian pension fund (subject to the regime provided for by Article 17 of Decree 252 of 5 December 2005) will be included in the result of the pension fund as calculated at the end of the fiscal year, to be subject to a 20 per cent. substitute tax.

Non-Italian Resident Noteholders

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer and traded on regulated markets are subject neither to CGT nor to any other Italian income tax. The exemption applies provided that the non-Italian resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in the Republic of Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer not traded on regulated markets are not subject to CGT, provided that the beneficial owner is:

(a) resident in a country included in the White List (or in the New White List once this is effective);

(b) an international entity or body set up in accordance with international agreements which have entered into force in the Republic of Italy;

(c) a central Bank or an entity which manages, inter alia, the official reserves of a foreign State (including sovereign wealth funds); or

(d) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List (or in the New White List once this is effective), even if it does not possess the status of a taxpayer in its own country of establishment.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with the Republic of Italy providing that capital gains realised upon the sale or the redemption of the Notes may be taxed only in the country of residence of the transferor.

Italian Inheritance and Gift Tax

Subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights, including the Notes, (i) by reason of death or gift by Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation of assets into a trust), even if the transferred assets are held outside Italy, and (ii) by reason of death or gift by non-Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation of assets into a trust), but only if the transferred assets are held in Italy.

In such event, Italian inheritance and gift tax applies as follows:

(a) at a rate of 4 per cent. in case of transfers in favour of the spouse or relatives in direct line on the portion of the global net value of the transferred assets exceeding, for each beneficiary, €1,000,000;

(b) at a rate of 6 per cent. in case of transfers in favour of relatives up to the fourth degree or relatives in-law up to the third degree on the entire value of the transferred assets. Transfers in favour of brothers / sisters are subject to the 6 per cent. inheritance and gift tax on the value of the transferred assets exceeding, for each beneficiary, €100,000; and

(c) at a rate of 8 per cent. in any other case.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised under Law No. 104 of 5 February 1992, the tax is applied only on the value of the assets (including the Notes) received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or the donor and the beneficiary.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average trading price of the last quarter preceding the date of the succession or of the gift (including any accrued interest).

Transfer Tax

Contracts relating to the transfer of securities are subject to a €200 registration tax as follows: (i) public deeds and private deeds with notarized signatures are subject to mandatory registration; and (ii) private deeds are subject to registration only in the case of voluntary registration or if the so-called "caso d'uso" occurs.

Stamp Duty

Under Article 13(2bis-2ter) of Decree No. 642 of 26 October 1972, a 0.20 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14,000.00 for Noteholders other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.20 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy on 20 June 2012. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Wealth Tax on Financial Products Held Abroad

Under Article 19(18) of Decree No. 201 of 6 December 2011, Italian resident individuals holding financial products – including the Notes – outside the Republic of Italy are required to pay a wealth tax at the rate of 0.2 per cent. The tax is determined in proportion to the period of ownership. This tax is calculated on the market value at the end of the relevant year or, in the lack thereof, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase price of any financial product (including the Notes) held abroad by Italian resident individuals. If the financial products are no longer held on December 31 of the relevant year, reference is made to the value in the period of ownership. A tax credit is generally granted for foreign wealth taxes levied abroad on such financial products. The tax credit cannot be greater than the amount of the Italian tax due. If there is a double tax treaty in force between Italy and the State where the financial products are held that also covers taxes on capital and the treaty provides that only the State of residence should levy taxes on capital on the financial products, no tax credit is granted. In these cases, the taxpayer should request the refund of the wealth taxes paid abroad to the foreign tax authorities.

Certain Reporting Obligations for Italian Resident Noteholders

Under Law Decree No. 167 of 28 June 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the fiscal year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.
No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of 28 June 1990) and for contracts concluded through their intervention, provided that the cash flows and

the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.