BASE PROSPECTUS

SIAS S.p.A.
(incorporated with limited liability under the laws of the Republic of Italy)
€2,000,000,000
Euro Medium Term Note Programme

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

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

Investing in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*" beginning on page 1 below.

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

SIAS's long-term senior secured debt is currently rated Baa2 (stable outlook) by Moody's Investors Service Ltd. ("**Moody's**") and BBB+ (stable outlook) by Fitch Italia S.p.A. ("**Fitch**"). SIAS's long-term senior unsecured debt is currently rated (P)Baa3 (stable outlook) by Moody's and BBB (stable outlook) by Fitch. Each of Moody's and Fitch is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Issuer or to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. **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.**

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

Arranger
MEDIOBANCA

Dealers

Crédit Agricole CIB
Société Générale Corporate & Investment Banking

Mediobanca
UniCredit Bank

14 December 2017

IMPORTANT NOTICES

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

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in Paragraph 8 (Distribution) of "Part B – Other information" of the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

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

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

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

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

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

recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group upon advice from such financial, legal and tax advisers as it has deemed necessary. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

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

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

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

IMPORTANT – EEA Retail Investors

The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**").

For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**") . Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PRESENTATION OF INFORMATION

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

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

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

INDUSTRY AND MARKET DATA

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

FORWARD-LOOKING STATEMENTS

This Base Prospectus, including, without limitation, any documents incorporated by reference herein, may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus and the documents incorporated by reference contain certain alternative performance measures ("**APMs**") which are different from the IFRS financial indicators obtained directly from the audited consolidated financial statements for the years ended 31 December 2015 and 2016, the unaudited consolidated interim financial report of SIAS for the six month period ended 30 June 2017 and the press release dated 13 November 2017 and entitled "*Board of Directors approves the additional periodic financial reporting as at 30 September 2017. Interim dividend 2017 of Eur 0.15 per share for a total of Eur 34.1 million (+7.14%)*" relating to the certain unaudited consolidated interim data of SIAS for the nine month period ended 30 September 2017 and which are useful to present the results and the financial performance of the SIAS Group.

On 3 December 2015, CONSOB issued Communication No. 92543/15, which gives effect to the guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016. These guidelines, which update the previous CESR Recommendation (CESR/05-178b), are aimed at promoting the usefulness and transparency of APMs in order to improve their comparability, reliability and comprehensibility.

In line with the guidelines mentioned above, the criteria used to construct the APMs are as follows:

a) "Adjusted Revenues": differ from "Total revenues" in the consolidated financial statements as it excludes "Fees and surcharges to pay at ANAS", "Revenues from construction activities related to the motorway sector", "Revenues related to costs reversal" and "Non-recurring items".

b) "Gross operating margin"/"EBITDA": is the summary indicator of operating performance and is determined by subtracting from the operating revenue all recurring operating costs, excluding amortisation and depreciation, provisions and write-downs of intangible and tangible assets.

c) "Adjusted gross operating margin"/"Adjusted EBITDA": is calculated by adding/subtracting "non-recurring" operating costs and revenue from the "gross operating margin".

d) "Operating income": measures the profitability of total capital invested in the company and is determined by subtracting the amortisation and depreciation, provisions and write-downs of intangible and tangible assets from the "gross operating margin".

e) "Adjusted income attributable to the parent company in the period": shows the profit attributed to the parent company's shareholders, net of "non-recurring" items (i.e., the difference between (i) "non-recurring" operating income and costs and (ii) amortisation and provisions related to the expiry of the concession on the Turin-Piacenza motorway).

f) "Net invested capital": shows the total amount of non-financial assets, net of non-financial liabilities.

g) "Adjusted net financial indebtedness"/"Adjusted net debt": is the indicator of the net invested capital portion covered by net financial liabilities and corresponds to "Current and non-current financial liabilities", net of "Current financial receivables", "Insurance policies" and "Non-current financial receivables due from the granting body for minimum guaranteed amounts" (IFRIC 12). Note that the "Adjusted net financial indebtedness" differs from the net financial position prepared in accordance with the ESMA recommendation of 20 March 2013, as it includes the "Present value of the amount due to ANAS – Central Insurance Fund" and "Non-current financial receivables due from the granting body for minimum guaranteed amounts" (IFRIC 12). The adjusted net financial indebtedness statement contains an indication of the value of the net financial position prepared in accordance with the aforementioned ESMA recommendation.

h) "Operating cash flow": is the indicator of the cash generated or absorbed by operations and was determined by adding to the profit for the period the amortisation and depreciation, the adjustment of the provision for restoration, replacement and maintenance of non-compensated revertible assets , the adjustment of the employee severance indemnity provision, the provisions for risks, the losses (profits) of companies accounted for by the equity method and the write-downs (revaluations) of financial assets, and by subtracting the capitalisation of financial charges.

The APMs presented in this Base Prospectus and the documents incorporated by reference are considered relevant to assess the overall operating performance of the Group, the operating segments and the individual Group companies and to provide better comparability over time of the same results. Such indicators are also used by SIAS management in order to assess trends and take decisions in respect of investments, resources allocation and other management decisions.

With reference to the APMs relating to the consolidated results, it should be noted that in the "*Economic, equity and financial data*" section of the unaudited consolidated interim financial report of SIAS for the six month period ended 30 June 2017, the SIAS Group presents reclassified financial statements that differ from those envisaged by IFRS included in the Condensed Consolidated Half-yearly Financial Statements; therefore, the reclassified consolidated income statement, consolidated balance sheet and net financial indebtedness contain, in addition to the economic-financial and equity data governed by IFRS, certain indicators and items derived therefrom, although not required by said standards and therefore called "APMs".

Investors should not place undue reliance on these APMs and should consider that:

(i) such APMs have been derived from historical financial information of the Group and are not intended to provide an indication of the future financial performance, financial position or cash flows of the Group itself;

(ii) APMs are not provided under IFRS and, accordingly, despite being derived from information contained in the SIAS consolidated financial statements, they have not been audited by the independent auditors;

(iii) APMs are not intended to be alternative to any measure of performance under IFRS;

(iv) APMs presented in this Base Prospectus and in the documents incorporated by reference should also be read in conjunction with the financial information presented or incorporated by reference in this Base Prospectus and derived from the audited consolidated financial statements for the years ended 31 December 2015 and 2016, the unaudited consolidated interim financial report of SIAS for the six month period ended 30 June 2017 and the press release dated 13 November 2017 and headed "*Board of Directors approves the additional periodic financial reporting as at 30 September 2017. Interim dividend 2017 of Eur 0.15 per share for a total of Eur 34.1 million (+7.14%)*" relating to the certain unaudited consolidated interim data of SIAS for the nine month period ended 30 September 2017;

(v) APMs definitions adopted by the Group may not be consistent with those adopted by other groups/companies and accordingly may not be comparable with them; and

(vi) APMs adopted by the Group have been calculated consistently over all the periods for which financial information is presented in this Base Prospectus.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant subscription agreement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. All such transactions will be carried out in accordance with all applicable laws and rules.

TABLE OF CONTENTS

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including in particular, the risk factors described below together with any document incorporated by reference herein.

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

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

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

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

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

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

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

The Group is dependent on Italian Motorway Concessions (as defined in the "*Description of the Issuer*" below) that have been granted to the relevant Italian Motorway Subsidiaries (as defined in the "*Description of the Issuer*" below) to operate various toll roads in Italy. For the year ended 31 December 2016, approximately 83.6 per cent. of the Group's revenues (excluding revenues from motorway sector – planning and construction activities) were derived from toll collections on motorways under the Italian Motorway Concessions. The Italian Motorway Concessions of the Italian Motorway Subsidiaries are currently set to expire between July 2019 and December 2038 (other than (i) the Italian Motorway Concession related to the Asti-Cuneo motorway which will expire 23 years and 6 months following the completion of the relevant infrastructure (see however "*Description of the Issuer – Recent Developments – Potential cross-financing procedure*" for further information on the potential reduction of the tenor of such Italian Motorway Concession in case of successful completion of the cross-financing procedure described therein) and (ii) the Italian Motorway Concession granted to Società di Progetto Autovia Padana S.p.A. which will expire after 25 years from the effective date of the relevant Single Concession (as defined in "*Regulatory*", below) (for further information on the current status of the procedure for the entry into force of the Società di Progetto Autovia Padana S.p.A. Single Concession, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*" below)); in addition, SATAP (as defined in "*Description of the Issuer*" below) manages the A21 Torino-Alessandria-Piacenza motorway section in a *prorogatio* regime following the expiry on 30 June 2017 of the relevant Italian Motorway Concession (for further information, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*" below). Upon the expiry of each of these Italian Motorway Concessions, the relevant infrastructure must be given back to the relevant grantor (which in each case is the Ministry of the Infrastructure and Transport (the "**MIT**") which on 1 October 2012 took over certain functions previously granted to ANAS S.p.A. in the infrastructure and

transport sector) in a good state of repair when the new concessionaire to whom the relevant concession is awarded starts to operate. No assurances can be given that the Group will enter into new Italian Motorway Concessions – to be awarded through the European bidding process – to permit it to carry on its core business after the expiry of each relevant Italian Motorway Concession or that any new Italian Motorway Concessions entered into or renewals of existing Italian Motorway Concessions will occur (as is the case for the Italian Motorway Concession for the management of the A21 Torino-Alessandria-Piacenza motorway section, which, as at the date of this Base Prospectus, is operated by SATAP under a *prorogatio* regime) and, if any, will be on terms similar to those of its current Italian Motorway Concessions. The Group's failure to enter into new Italian Motorway Concessions or renew existing Italian Motorway Concessions, in each case on similar or otherwise favourable terms, could have an adverse impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

Each Italian Motorway Concession is governed by agreements with the concession grantor requiring the relevant Italian Motorway Subsidiary to comply with certain obligations (including performing regular maintenance and improvement works on the relevant motorways and operating emergency motorway rescue services). Pursuant to the relevant Italian Motorway Concession agreement, each Italian Motorway Subsidiary is subject to penalties or sanctions, which in certain cases can be significant, for the non-performance or default under the relevant Italian Motorway Concession (for further information on penalties or sanctions, see "*Regulatory – Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries – (c) Penalties and sanctions*" below). Additionally, failure by an Italian Motorway Subsidiary to fulfil its material obligations under its respective Italian Motorway Concession could, if such failure is left unremedied, lead to the early termination of the relevant Italian Motorway Concession by the grantor (currently being the MIT). Further, in accordance with general principles of Italian law, an Italian Motorway Concession could be revoked early for reasons of public interest. In either case, the Group would be required to transfer all of the assets relating to the operation of the relevant motorway network without consideration to the grantor. In the case of early termination of an Italian Motorway Concession due to the concessionaires or the grantor, the Italian Motorway Subsidiary may be entitled to receive an amount determined in accordance with the terms of the relevant Italian Motorway Concession agreement; however in certain cases no compensation amount may be recognised or an amount significantly lower than the relevant Italian Motorway Subsidiary's expectations may be recognised. In addition, the determination of such compensation amount to which the relevant Italian Motorway Subsidiary would be entitled could lead to protracted negotiations regarding the effective amount of compensation or indemnification due.

In addition, the grantor may be entitled to suspend tariff increases of a single Italian Motorway Subsidiary in the event of material and continuing non-compliance with the terms of the relevant Italian Motorway Concession (see, *inter alia*, "*Recent events in the relationship between the MIT and certain Italian Motorway Subsidiaries – Alleged "material breach""* in the "*Regulatory*" section in relation to the "material breach" alleged by the MIT of the relevant concession agreements by certain Italian Motorway Subsidiaries due to their delay in implementing their investment plans). Furthermore, tariff adjustments and periodic updates of an Italian Motorway Subsidiary's financial plan may be affected by delays by the grantor and the other competent authorities in the review and approval process of the proposal made by the relevant Italian Motorway Subsidiary. Tariff adjustments may not meet the Group's expectations or requirements (as was the case for some Italian Motorway Subsidiaries to which no tariff increase was recognised for the years 2016 and 2017 or to which a tariff increase lower than expected was recognised) and delays in the approval process of the financial plans (as was the case for SATAP, ADF, ATS (currently ADF), SAV, SALT and CISA (currently SALT), each as defined in "*Description of the Issuer*", below) and/or tariff increases may occur. In this respect, see, *inter alia*, "*Description of the Issuer – Motorway Activities – Other information on Italian Motorway Activities – Tariffs*" and "*Regulatory – Update of the FPs*".

As a significant amount of the Group's revenue (approximately 83.6 per cent. of the Group's revenues (excluding revenues from motorway sector – planning and construction activities) for the year ended 31 December 2016) is derived from the Italian Motorway Concessions, the termination of one or more of such Italian Motorway Concessions, as well as the suspension of tariff increases, delays in the approval of the new/amended financial plans, penalties or sanctions for non-performance or default under the terms of any

single Italian Motorway Concession agreement or the early termination of any Italian Motorway Concession and/or any disputes which might arise in connection with the negotiation of compensation matters, as the case may be, could have a material adverse impact on the Group's results of operations and financial condition and on the Issuer's ability to fulfil its obligations under Notes issued under the Programme (see, *inter alia*, "*Regulatory*" below).

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

The Group derives most of its revenues from tolls paid by users of the SIAS Group Italian Network (as defined in the "*Description of the Issuer*" below) and royalty revenues derived from sales of goods and services at service areas (including oil and non-oil services) on the SIAS Group Italian Network. The aggregate amount of these revenues is dependent primarily on traffic volumes, tariffs and the capacity of the Italian Network to absorb traffic. In turn, traffic volumes and toll revenues are dependent on a number of factors, including the quality, convenience and travel time on toll-free roads or on toll motorways operated by the Group's competitors, the quality and state of repair of the Group motorways, the economic climate and rising petrol prices in the Republic of Italy, environmental legislation (including measures to restrict motor vehicle usage in order to reduce air pollution), weather and the existence of alternative means of transportation. Long haul traffic, which relates to trips of at least 300 kilometres and to the transport of commercial goods or other business-related activities, is particularly adversely impacted by negative macroeconomic trends.

During the first nine months of 2017, the traffic on the SIAS Group Italian Network registered an increase of 2.26 per cent. compared to the same period in 2016 (which was a leap year), with light vehicles up 1.88 per cent. and heavy vehicles up 3.50 per cent. Traffic volumes in the third quarter of 2017 registered an increase of 1.19 per cent. compared to the same period in 2016. There can be no assurance that traffic volumes will not decrease in the future or experience lower than expected increases, and any such effect on traffic volumes could have a material adverse impact on the Group's results of operations or financial condition and could have an adverse impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

The Group may not be able to implement the investment plans required under the Italian Motorway Concessions within the timeframe and budget expected and may not be able to recoup certain cost overruns

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

The Group is subject to certain risks inherent in construction projects. These risks may include (i) delays in obtaining regulatory approval for a project (including, but not limited to, environmental requirements and planning approvals at national and local government levels); (ii) delays in obtaining approvals required for tariff increases in order to fund the project; (iii) changes in general economic, business and credit conditions; (iv) the non-performance or unsatisfactory performance of contractors and subcontractors (where such work is performed by third parties); (v) the commencement of bankruptcy proceedings with respect to contractors and reopening of public tender procedures; (vi) interruptions resulting from litigation, disputes, revocation of approvals or additional requests from local authorities, inclement weather and unforeseen environmental or engineering problems; (vii) delays in expropriation procedures including, *inter alia*, protests and/or public opposition to the expropriation of land needed for such developments (also known as "not-in-my-backyard" or "NIMBY" protests); (viii) shortages of materials and labour; and (ix) increased costs of materials and labour. The implementation of the investment plans could also be affected by other events including, *inter alia*, those referred to in "*Industrial action, damage or destruction of sections of the Group's motorways and/or other interruptions of services could adversely affect the Group's revenues, results of operations and financial condition*" below.

In particular, a delay in the completion of the construction of a motorway could affect the ability of the relevant Italian Motorway Subsidiary to generate cash flow sufficient to finance its general corporate

purposes, repay the indebtedness assumed to construct the relevant motorway (including, without limitation, the indebtedness, if any, *vis-à-vis* the Issuer under the Intercompany Loans (as defined in the "*Terms and Conditions of the Notes*" below)) and to pay dividends to its shareholders (such as the Issuer), with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

The Group may be subject to delays in the disbursement of the public contributions or revocation by the competent authorities

The Group has assumed that a number of such projects will benefit at least in part from contributions from the Italian government. Although substantially all of the governmental contributions are provided for by law or pursuant to the relevant Italian Motorway Concession, there can be no assurance that delays in scheduled completion times of projects or project benchmarks will not result in delays in the payment of contributions from State authorities nor that delays in the payment of such contributions may occur irrespective of the expected progress or duly completion of the relevant works or projects. On the basis of general principles, public contributions may be subject to revocation by the competent authorities for public interest reasons or due to defaults by the concessionaire to meet the obligations on which the payment of the relevant contribution is dependent. Delays in payments or revocation of public contributions may have a material adverse effect on the Group's working capital and general financial condition and results of operations with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

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

In addition, changes in the EU and/or in the Italian government policy with respect to motorway concessions, construction and related government grants can significantly affect the Group's results of operations with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the

Programme. There can be no assurance that the Group's results of operations or financial condition will not be adversely affected by an adverse change in the regulatory environment, including a reduction in government appropriations, restrictions on operations or other interference from government entities and increasing restrictions on motorway construction. Furthermore, there can be no assurance that future tariff adjustments will enable the Group to generate adequate revenues or that its results of operations will not be materially adversely affected by future limitations on tariff adjustments or regulations.

Changes to the regulatory framework in which the Group operates or non-compliance with such rules and regulations (see "*Regulatory*" below) may have material adverse effect on the Group's working capital and general financial condition and results of operations with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

Like all motorway concessionaires, the Italian Motorway Subsidiaries face potential risks from industrial action, natural disasters, such as earthquakes or flooding, landslides or subsidence, collapse or destruction of sections of motorway, inclement weather conditions (such as severe snow conditions, strong wind and sleet) or man-made disasters such as fires, acts of terrorism or the spillage of hazardous substances, as well as from the interruption of service due to events beyond their control such as accidents, the breakdown of equipment, leaks of hazardous substances and the malfunctioning of control systems. The ordinary extraordinary maintenance works carried out or expected to be carried out in the future by the Italian Motorway Subsidiaries might not be sufficient to prevent any of the above referred event or mitigate their consequences. The occurrence of any such events – as well as work stoppages however occurring – could lead to a significant decline in toll revenues from the Group's motorways or a significant increase in expenditures for the operation, maintenance or repair of the SIAS Group Italian Network. In addition, service malfunctions or interruptions may result in the commencement of investigations by the competent authority, the imposition of fines and penalties and could expose the Group to legal proceedings and claims for damages. Although the Group believes it has put in place sufficient risk, accident and civil liability insurance, there can be no assurance that these policies cover all of the potential liabilities which may arise from third party claims, or from any required reconstruction, or maintenance and operating losses, including costs resulting from motorway damage. The Group's policies do not cover industrial action, and the Group does not carry business interruption insurance to cover any operating losses it may experience, such as reduced toll revenues, resulting from work stoppages, Not In My Back Yard (NIMBY) protests, strikes or similar industrial action. In addition, the Group carries only limited risk and business interruption insurance to cover damages or operating losses resulting from terrorist acts. Therefore the occurrence of an event not covered, either fully or partially, by the Group's insurance policies may have a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme, as well as damage the Group's reputation.

The Group's operations are subject to extensive environmental regulation

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

Risks related to international financial market conditions

The Group's businesses, financial position and results of operations are subject to global financial market fluctuations and economic conditions generally. While financial markets generally recovered in 2016, a wide variety of factors continues to negatively impact economic growth prospects and contribute to high levels of volatility in financial markets (including in currency exchange and interest rates). These factors include, among others, continuing concerns over sovereign debt issuers, particularly in Europe; the stability and status quo of the European Monetary Union; concerns about the Italian economy (which is the main market for the Group) which might have a material adverse effect on the Group's business and financial position, in light of the link between the SIAS credit rating and the one of the Republic of Italy; concerns over levels of economic growth and consumer confidence generally; the strengthening or weakening of foreign currencies against the Euro; structural reforms or other changes made to the Euro, the Eurozone or the European Union; the availability and cost of credit; the stability and solvency of certain financial institutions and other companies; inflation or deflation in certain markets; central bank intervention in the financial markets through quantitative easing or similar programmes; volatile energy costs; uncertainty regarding membership of the European Union or the Eurozone; adverse geopolitical events (including acts of terrorism or military conflicts); political uncertainty which may adversely affect the membership of these countries in the European Union or the Eurozone, or relations between these countries and the European Union or the Eurozone; other recent developments such as the negative outcome of the "Brexit" referendum in June 2016 and the Italian referendum on constitutional reform in December 2016; uncertainty regarding the outcome of the incoming parliamentary elections in the Republic of Italy; uncertainty regarding the U.S. and worldwide political, regulatory and economic environment following the inauguration of a new U.S. administration in January 2017, including with respect to potential changes in U.S. laws, regulations and policies governing financial regulation, foreign trade and foreign investment. Furthermore, certain initiatives from governments and support of central banks in order to stabilise financial markets could be suspended or interrupted which could, in an uncertain economic context, have an adverse effect on the global financial services industry. In addition, geopolitical risks in various regions, including Russia, Ukraine, Syria, Iraq, North Korea or, also following the U.S. President recognition of Jerusalem as Israel's capital and the announcement to relocate the U.S. embassy there, the Middle East, have contributed to increased economic and market uncertainty generally.

These factors have had and may continue to have an adverse effect on the Group's revenues and results of operations with a consequent adverse impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

The political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit) may have a negative effect on European and global economic conditions, financial markets and the Issuer's business

On 23 June 2016, the United Kingdom held an in-or-out referendum in which a majority voted to leave the European Union ("**Brexit**"). Under Article 50 of the Treaty on European Union, the UK will cease to be a member state of the European Union when a withdrawal agreement is entered into, or failing that, two years following the notification of an intention to leave under Article 50, unless the European Council (together with the UK) unanimously decides to extend this period. On 29 March 2017, the British Prime Minister gave formal notice to the European Council of the intention to leave the European Union, thus triggering the two-year period for withdrawal.

The process of negotiation will determine the future terms of the UK's relationship with the EU. Depending on the terms of the Brexit negotiations, the UK could also lose access to the single EU market and to the global trade agreements negotiated by the EU on behalf of its members. Given the unprecedented nature of a departure from the EU, the timing, terms and process for the United Kingdom's exit, are unknown and cannot be predicted.

Regardless of the time scale and the term of the United Kingdom's exit from the European Union, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union.

The exit of the United Kingdom from the European Union; the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom; the possibility that other European Union countries could hold similar

referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on international markets. These could include a further fall in the value of the pound and, more in general, increase financial market volatility, with possible negative consequences on the asset prices, operating results and capital and/or financial position of the Issuer and/or the Group and on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

The Issuer is dependent on its subsidiaries to cover its expenses

The Issuer's business is conducted through its direct and indirect subsidiaries. As a holding company, the Issuer's sources of funds include (i) dividends from subsidiaries and (ii) payment of amounts due under Intercompany Loans granted to its subsidiaries as to principal, interest or otherwise; as a consequence, the Issuer depends on both (a) the cash flows of, and the distribution of funds from, these subsidiaries, which may be restricted by, amongst others, the financing agreements entered into by such subsidiaries and (b) the ability of these subsidiaries to meet their payment obligations under any Intercompany Loans to fulfil its debt obligations, including its obligations with respect to the Notes. The cash flows generated by the subsidiaries of the Issuer and, as a consequence, the ability of these subsidiaries to meet their payment obligations under any Intercompany Loans depend, *inter alia*, on the exploitation of the relevant Italian Motorway Concessions.

In connection with this, it should be noted that, pursuant to the Programme documentation, (i) the expiry of an Italian Motorway Concession at its originally stated termination date is neither an Event of Default pursuant to Condition 12 (*Event of Default*) nor a Put Event pursuant to Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*) and (ii) there are no restrictions that prevent the Issuer from granting Intercompany Loans that have a maturity date which is later than the originally stated termination date of the Italian Motorway Concessions held by a Material Subsidiary to which any such Intercompany Loan is granted. Any reduction or delay in the payment of dividends, and any default or delay in the payment of any amount due under the Intercompany Loans, from its subsidiaries could have an adverse effect on the Group's business and results of operations, financial position and cash flows, with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Certain of the Issuer's subsidiaries may incur debt on a limited recourse basis

Where a Subsidiary of the Issuer incurs indebtedness only on a limited recourse basis pursuant to the definition of "Limited Recourse Indebtedness" in the Conditions, such Subsidiary will not qualify as a Material Subsidiary for the purposes of the Conditions. In particular, such Subsidiary will, by virtue of the definition of "Permitted Encumbrance" in the Conditions, be permitted to secure any Relevant Indebtedness (i.e. indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over the counter market)) without providing (and/or causing the Issuer to provide) equivalent security in respect of the Notes as would otherwise be required by the terms of Condition 4(c) (*Negative Pledge*). Further, a default by any such Subsidiary under its Limited Recourse Indebtedness will not constitute an Event of Default under the Notes pursuant to Condition 12(c).

Funding risks

The Group's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions (see also "*Risks related to international financial market conditions*"). If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its funding requirements, which could materially and adversely affect its results of operations and financial condition with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme. The Group's approach toward funding risk is aimed at securing competitive financing and ensuring a balance between average maturity of funding, flexibility and diversification of sources; however, these measures may not be sufficient to fully protect the Group from such risk. If it is the case, it could have an adverse impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

A downgrade of any of SIAS's credit ratings may impact its funding ability

The financial strength and issuer credit ratings assigned to SIAS express the rating agencies' opinion regarding the institution' creditworthiness and are a determining factor in influencing public confidence in the SIAS Group's business. Credit ratings are subject to change, suspension or withdrawal at any time by rating agencies. A downgrade, or the potential for such a downgrade, to the financial strength or issuer credit ratings assigned to SIAS may have an adverse impact on its financial position. A downgrade of SIAS's credit rating may have a negative effect on its ability to raise capital through the issuance of debt, increase the cost of such financing, reduce customers' and trading counterparties' confidence and impact profitability and competitiveness. Rating agencies look at a range of rating factors. In particular, potential sovereign debt credit deterioration could have adverse effects on the financial position of SIAS and trigger a downgrade of its ratings.

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

The Group is subject to interest rate risk arising on its financial indebtedness, which varies depending on whether such indebtedness is fixed or floating rate. The risk connected with the fluctuation of interest rates has been reduced by entering into hedging agreements; as at 31 December 2016, approximately 87 per cent. of the Group's borrowings is at fixed rate/hedged. There can be no guarantee that the hedging policy adopted by the Group, which is designed to minimise any losses connected to fluctuations in interest rates in the case of floating rate indebtedness by transforming them into fixed rate indebtedness, will actually have the effect of reducing any such losses. To the extent it does not, this may have an adverse effect on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Risks relating to the implementation of the Issuer's strategic objectives

On 19 July 2017, the Issuer's Board of Directors approved the "*Going Global*" strategic plan, which sets out the strategic policies and objectives of the Group for the 2017-2021 period (the "**Strategic Plan**") (for further information on the main objectives of the Strategic Plan, see "*Description of the Issuer – Strategy*", below). The Strategic Plan contains, and was prepared on the basis of, a number of critical assumptions and estimates relating to future trends and events that may affect the sectors in which the Group operates, such as estimates of customer demand and changes to the applicable regulatory framework. There can be no assurance that the Group will achieve the objectives under the Strategic Plan. For example, if any of the events and circumstances taken into account in preparing the Strategic Plan do not occur, the future business, financial condition, cash flow and/or results of operations of the Group could be different from those envisaged and the Group might not achieve the objectives set forth in the Strategic Plan, or not do so within the expected timeframe. This could adversely affect the Group's business, financial condition and results of operations with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

The Group is subject to foreign exchange risk

The Group's consolidated financial statements are prepared in euro. Following the investments made in Brazil through IGLI S.p.A. ("**IGLI**"), as well as the investments made through ITINERA S.p.A. in, amongst others, the United States and/or any other investments that the Group may make in the future pursuant to the Strategic Plan, the Group conducts and/or may conduct business also in currencies other than the Euro. This exposes the Group to foreign exchange risks deriving from (i) cash flow and payments in currencies other than the euro (economic foreign exchange risk); (ii) net investments in companies which prepare their financial statements in currencies other than the euro (foreign currency translation risks); and (iii) financing transactions in currencies other than the euro (foreign currency transaction risks). Negative changes in foreign exchange rates could have a material adverse effect on the Group's business, results of operations or financial condition with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

There are risks associated with the international activity of the Group

The Group's activities outside of Italy are subject to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in the commercial climate, imposition of monetary and other restrictions on the movement of capital for foreign corporations,

economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and political, social and economic instability.

In deciding whether to enter and/or maintain its strategic presence in overseas markets, the Group takes into account the political, economic, legal, operational, security and financial risks of the markets, the reliability of clients and the development of opportunities in the medium and long term. Nonetheless, significant changes in the macroeconomic, political, fiscal or legislative framework of these countries could harm international operations and may have a material adverse effect on the Group's business, financial condition and results of operations, with a consequent adverse impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

As part of the ordinary course of business, companies within the Group are or may be parties to a number of administrative proceedings, tax investigations, criminal proceedings and civil actions. As at 31 December 2016, the Issuer had a provision in its consolidated financial statements for legal proceedings which the Issuer considers to be adequate. Notwithstanding the foregoing, the Issuer believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or the Group's business, financial condition or prospects. In addition to provisions in its financial statements in relation to ongoing proceedings, it is possible that in future years SIAS and the entities of the Group may incur significant losses in connection with pending legal proceedings due to: (i) uncertainty regarding the final outcome of such proceedings; (ii) the occurrence of new developments that were not known to management when evaluating the likely outcome of proceedings; (iii) the emergence of new evidence and information; and (iv) underestimation of probable future losses. To the extent the Group is not successful in some or all of these matters, or in future legal challenges (including potential class actions), the Group's results of operations or financial condition may be materially adversely affected with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Competition from the development or improvement of alternative motorway stretches or networks or of alternative means of transportation, including high speed rail networks, may decrease traffic volumes on the SIAS Group Italian Network or limit the Group's ability to expand the SIAS Group Italian Network, thereby adversely affecting the Group's revenues and growth

Pursuant to applicable EU legislation, all new concessions, including those for motorways that might compete with the SIAS Group Italian Network, are open to bids on a European-wide basis. As a result, upon expiry of its existing concessions (as it is the case for the Italian Motorway Concession granted to SATAP in relation to the A21 Torino-Alessandria-Piacenza motorway section), the Group may face difficulties in winning new concessions, or, alternatively, the Group may accept new concessions under less favourable economic terms than those it has experienced in the past.

In addition, other motorway operators may obtain concessions and develop other motorway stretches or alternative networks along the same transportation routes covered by the SIAS Group Italian Network, or may develop facilities along such alternative networks or routes for different means of transport. Such competition may lead to decreased traffic volumes on the SIAS Group Italian Network or limit the Group's ability to expand its motorway network.

Competition from other motorway operators or the development or improvement of alternative networks, including toll-free motorways, may decrease traffic volumes on the SIAS Group Italian Network or limit the Group's ability to expand the SIAS Group Italian Network, thereby adversely affecting the Group's revenues and growth.

Moreover, with respect to long haul traffic, the Group faces competition from alternative means of transportation, such as high speed rail and air travel. There can be no assurance that the market share of such alternative means of transportation will not increase. See "*Description of the Issuer — Competition*". Increased competition for traffic could reduce traffic on the SIAS Group Italian Network and, consequently, the Group's results of operations or financial condition may be materially adversely affected with a consequent negative impact on the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

There are risks associated with acquisitions and business combinations that the Issuer has already carried out and possible future acquisitions and business combinations, including potential increases in leverage resulting from the financing of the transactions and the integration of new companies into the Group

As further described in this Base Prospectus, SIAS has acquired a number of companies and its strategy is to consider potential new acquisitions. The acquisitions that SIAS has already carried out (including, *inter alia*, the acquisition of an equity interest in SPV Primav Infraestrutura S.A. through IGLI, as described under "*Description of the Issuer – International Motorway Activities – Motorways Activities in Brazil*", below and the acquisition of an equity interest in Halmar International LLC through ITINERA USA CORP, as described under "*Description of the Issuer – Construction sector*") and other integration projects already carried out, as well as any future acquisitions and other business combinations, whether or not envisaged under the Strategic Plan, may result in a significant expansion and increased complexity of the Group's operations. Such acquisitions and other business combinations may have adverse consequences. Acquisitions and other business combinations require the integration and combination of different management, strategies, procedures, products and services, client bases and distribution networks, with the aim of streamlining the business structure and operations of the newly enlarged group. Although the Issuer assesses each investment based on financial and market analysis, which includes certain assumptions, existing and future acquisitions and/or business combinations therefore expose SIAS and the Group to risks connected to the integration of new companies into the Group. These risks may relate to: (i) difficulties arising from having to manage a significantly broader and more complex organisation; (ii) problems resulting from the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting); (iii) the possible diversion of management's attention from the operation of existing businesses; (iv) substantial costs, delays or other operational or financial problems in integrating acquired businesses; (v) difficulties arising from unanticipated events, circumstances or legal liabilities; or (vi) the failure to achieve expected synergies. Furthermore, this integration process may require additional investment and expense. There can be no assurance that SIAS and the Group will be able to successfully integrate newly-acquired companies, or any companies acquired in the future, into the Group. Failure to successfully manage one or more of the foregoing circumstances, or the need for significant further investments in order to do so could have a material adverse effect on the business, revenues, results of operations and financial condition of SIAS and its Group and have a consequent adverse impact on the Issuer's ability to fulfil its obligations under the Notes issued under the Programme.

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

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

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

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

The Group is exposed to counterparty risk.

The Group enters into transactions with respect to financial products with third parties. These transactions expose the Group to the risk that a counterparty may default on its obligations or becomes insolvent prior to maturity, leaving the Group with an outstanding claim against such counterparty and/or an unhedged position with respect to commodities or interest rates. Although the Group seeks to manage these risks through its

internal guidelines and policies for risk management, there can be no assurance that a counterparty default with respect to an agreement entered into by a Group company and/or the insufficient value of the collateral, where available, may not have a material adverse effect on the Group's business, financial condition and results of operations.

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

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

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

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

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) consider all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

In addition, with respect to the options under Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*) and Condition 9(e) (*Clean-up Call Option*), the Issuer's right to redeem at par all or, as the case may be, part of the Notes will exist notwithstanding that immediately prior to

the serving of a notice in respect of the exercise of the relevant option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Redemption for tax reasons

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

Fixed Rate Notes

Investment in Notes that bear a fixed rate of interest involves the risk that if market interest rates subsequently increase above the rate paid on such Notes, this will adversely affect the value of such Notes. 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, market interest rates typically change on a daily basis. As market interest rates change, the price of such security changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the prevailing market interest rate. Investors should be aware that the market price of such Notes may fall as a result of movements in market interest rates.

Variable rate Notes with a multiplier or other leverage factor

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating

Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a "benchmark".

Key international reforms of "benchmarks" include the International Organization of Securities Commission ("**IOSCO**")'s proposed Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation will apply from 1 January 2018, except that the regime for 'critical' benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the Market Abuse Regulation) have applied from 3 July 2016. The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" "benchmarks" in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to a "benchmark" index, including in any of the following circumstances:

(i) an index which is a "benchmark" could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted;

(ii) the methodology or other terms of the "benchmark" related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the "benchmark" or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other reforms (or proposals for reform), the discontinuing of or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting (if listed) or other consequence in relation to Notes linked to such "benchmark". Any such consequence could have a material adverse effect on the value of and return on any such Notes.

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

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

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

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

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

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

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

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

enforced their Security Interests shall not be entitled to share in such proceeds. Pursuant to the Trust Deed, the Trustee is entitled to enforce the relevant Security Interest for the holders of the Secured Notes.

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

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

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

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

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

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

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

Risk upon occurrence of Conversion of Secured Notes into Unsecured Notes

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

with the provisions of the Conditions of the Notes), and in no circumstances shall the occurrence of a Conversion Downgrade trigger an Event of Default of the Formerly Secured Notes.

No assurance can be given as to the impact of any change of law

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

Risks relating to taxation regime

The tax regime in Italy and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

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

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 (the "**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 of the fiscal year that was current on 31 December 2010. The relevant securities (*titoli e valori mobiliari*) are defined in Article 1(1-bis) of Legislative Decree No. 58 of 24 February 1998. 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 that do not carry out insurance or financial activities listed in Section K of the 2007 ATECOFIN Index (except for non-financial holding companies).

Because of this new rule, investment in the Notes by Italian resident noteholders (other than financial 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.

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

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

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

Delisting of the Notes

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

Denominations and restrictions on exchange for Definitive Notes

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

Certain relationships between one of the Dealers and the Calculation Agent may present conflicts of interest

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

The secondary market generally

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes,

(ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to SIAS from time to time or to other Notes issued under the Programme. Notwithstanding the above, any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Legal investment considerations may restrict certain investments

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

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

Words and expressions defined in "*Terms and Conditions of the Notes*" below or elsewhere in this Base Prospectus shall have the same meanings in this summary.

Structural Overview

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

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

The proceeds of a Series of Secured Notes issued under the Programme may only be used for an Intercompany Loan made to one or more of the Subsidiaries.

Issuer:	Società Iniziative Autostradale e Servizi – SIAS S.p.A.
Material Subsidiaries:	Any Subsidiary of the Issuer that receives an Intercompany Loan at any time for so long as such Intercompany Loan is outstanding

	and/or any Subsidiary of the Issuer which accounts for 10 per cent. or more of the Consolidated Assets or Consolidated Revenues of the Group, *provided that* in no circumstances shall a member of the Group which has not incurred any Indebtedness other than Limited Recourse Indebtedness qualify as a Material Subsidiary.
Arranger:	Mediobanca – Banca di Credito Finanziario S.p.A.
Dealers:	Crédit Agricole Corporate and Investment Bank, Mediobanca – Banca di Credito Finanziario S.p.A., Société Générale, UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	Deutsche Trustee Company Limited
Intercreditor Agent:	Mediobanca – Banca di Credito Finanziario S.p.A.
Principal Paying Agent:	Deutsche Bank AG, London Branch
Listing Agent:	Deutsche Bank Luxembourg S.A.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.
Listing and Trading:	Application has been made to the Irish Stock Exchange for Notes to be admitted during the period of 12 months after the date hereof to the Official List and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Programme Amount:	Up to €2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time, save that the maximum aggregate principal amount may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations in force from time to time. In particular, the aggregate outstanding amount of Notes issued is subject to certain limits under Italian law, as described in more detail in "*Subscription and Sale*" below.
Method of Issue:	Notes may be issued on a syndicated or non-syndicated basis.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price, the interest commencement date and the amount of the first payment of interest may be different in respect of different

	Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of the Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. The Notes will be issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time.
Currencies:	Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Unsecured Notes:	The Unsecured Notes constitute unsecured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.
Status of the Secured Notes:	The Secured Notes constitute secured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.
Security in favour of holders of Secured Notes:	Each Series of Secured Notes will be secured by Italian law governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of the relevant Series of Secured Notes all the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the relevant Intercompany Loan granted out of the proceeds of the Secured Notes.

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

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

Issue Price: Notes may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities: Subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements, Notes will have a minimum maturity of greater than 12 months.

Redemption: Without prejudice to the optional redemption provisions and the tax redemption referred to below, the Notes will be repaid at their Final Redemption Amount on the Maturity Date specified in the relevant Final Terms.

Optional Redemption: To the extent specified in the relevant Final Terms, Notes may be redeemed before their stated maturity:

(i) at the option of the Issuer (a) at any time, either in whole or in part, pursuant to Condition 9(c) (*Redemption at the option of the Issuer*) or (b) in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, in whole, pursuant to Condition 9(e) (*Clean-Up Call Option*); or

(ii) at the option of the Noteholders upon occurrence of a Put Event as defined under Condition 9(f) (*Redemption at the option of the Noteholders on the occurrence of a Put Event*).

Tax Redemption: Except as described in "**Optional Redemption**" above, the Notes may be redeemed before their stated maturity at the option of the Issuer, at any time, in whole for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

Interest: Notes may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Fixed Rate Notes: Interest on Notes bearing interest at a fixed rate will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (and as specified in the relevant Final Terms) and will be repaid on redemption and amounts owing under the Notes will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Notes:	Where Notes bear interest at a floating rate, such rate will be determined: • on the same basis as the floating rate under a notional interest rate swap transaction governed by an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms), as published by the International Swaps and Derivatives Association, Inc.; or • on the basis of the relevant rate appearing on the screen page of a commercial quotation service, in each case, as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount on their aggregate principal amount and will not bear interest, in each case as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 4(c) (*Status and Negative Pledge – Negative Pledge*). Permitted Encumbrances, including Security Interests securing Limited Recourse Indebtedness (each as defined in the Conditions), will be excluded from the scope of the negative pledge.
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*). Limited Recourse Indebtedness will be excluded from the scope of the cross default provision.
Taxation:	All payments in respect of the Notes will be made free and clear of withholding or deduction for or on account of tax of Italy or any applicable jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no withholding or deduction been required.
Governing Law:	English law. Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law. The Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge (*pegni di crediti*) and all non-contractual obligations arising out of or in connection with the Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge (*pegni di crediti*) are governed by Italian law.
Enforcement of Notes in Global	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Trust Deed dated 20 December 2016

Form:	(which amends, restates and supersedes the trust deed dated 2 December 2015 which, in turn, amended, restated and superseded earlier versions thereof), as amended, restated or supplemented from time to time, a copy of which will be available for inspection at the specified office of the Trustee.
Ratings:	The rating of any Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. **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**. A credit rating applied for, if any, in relation to a relevant Series of Notes will be (1) issued by a credit rating agency established in the EEA and registered (or has applied for registration and not been refused) under Regulation (EU) No. 1060/2009 (the "**CRA Regulation**") or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website, *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom and Italy) and Japan, see "*Subscription and Sale*" below.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and include risks related to the structure of a particular issue of Notes and risks common to the Notes generally. See "*Risk Factors*" above.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections of the documents incorporated by reference set out in the table below. The following documents which have previously been published and have been filed with the Irish Stock Exchange and the Central Bank of Ireland, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the audited consolidated annual financial statements (including the auditors' audit report thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2015 and 2016 (available at: http://www.grupposias.it/wp-content/uploads/SIAS_BILANCIO-2015_COMPLETO_ENG-30mar2016.pdf and http://www.grupposias.it/wp-content/uploads/SIAS_BILANCIO-2016_ENG.pdf);

(b) the unaudited condensed consolidated half-yearly financial statements (including the auditors' limited review report thereon and notes thereto) of the Issuer for the six months ended 30 June 2017 (available at: http://www.grupposias.it/wp-content/uploads/Half-Yearly-Financial-Report-of-the-SIAS-Group-as-at-30-June-2017_FINAL.pdf);

(c) the related party information document prepared in accordance with article 5 of the Regulation approved by Consob with Resolution No. 17221 of 12 March 2010, as amended, relating to the transaction for the purchase of equity investments in Tangenziale Esterna S.p.A., Tangenziali Esterne di Milano S.p.A. and Autostrada Asti Cuneo S.p.A. (available at: http://www.grupposias.it/wp-content/uploads/SIAS_Documento-Informativo-27-10-2017_COMPLETO_ENG.pdf) (the "**Related Party Information Document**");

(d) the press release dated 13 November 2017 and entitled "*Board of Directors approves the additional periodic financial reporting as at 30 September 2017. Interim dividend 2017 of Eur 0.15 per share for a total of Eur 34.1 million (+7.14%)*" (available at: http://www.grupposias.it/wp-content/uploads/10_SIAS_-_Board-of-directors-approves-the-additional-periodic-reporting-at-30-September-2017_EN.pdf); and

(e) the press release dated 6 December 2017 and entitled "*Agreement signed with Impresa Pizzarotti on share sales and governance agreements that will result in joint control of Tangenziale Esterna di Milano*" (available at: http://www.grupposias.it/wp-content/uploads/Comunicato-TEM-SIAS-Pizzarotti_EN.pdf).

Cross-reference lists

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

Audited Consolidated Annual Financial Statements of the Issuer

	As at and for the year ended 31 December	
	2015	**2016**
Consolidated		
Management report	Pages 7 – 53	Pages 17 – 68
Balance sheet	Page 110	Page 142
Income statement	Page 111	Page 143
Cash flow statement	Page 112	Page 144
Statement of changes in shareholders' equity	Pages 113 - 114	Pages 145 – 146
Principles of consolidation, valuation criteria and explanatory notes	Pages 115 - 192	Pages 147 – 223
Certification of the consolidated financial statements pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998[1]	Pages 193 - 194	Pages 225 – 227
Auditors' report	Pages 195 - 197	Pages 229 – 232

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

Unaudited Condensed Consolidated Half-Yearly Financial Statements of the Issuer

	As at and for the six months ended 30 June 2017
Consolidated	
Interim management report	Pages 8 – 47
Balance sheet	Page 50
Income statement	Page 51
Comprehensive income statement	Page 52
Cash flow statement	Page 53
Statement of changes in consolidated shareholders' equity	Page 54
Principles of consolidation, valuation criteria and explanatory notes	Pages 55 – 124
Certification pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998[2]	Page 126
Auditors' limited review report	Pages 127 – 129

Related Party Information Document

	Pages
Introduction	Pages 3 – 4
Definitions	Pages 5 – 7
Risks connected with potential conflicts of interest arising from the Transaction	Page 8
Description of the characteristics, procedures, terms and conditions of the Transaction	Pages 8 – 11
Related parties involved in the Transaction, nature of the relationship, nature and extent of the interests of related parties in the Transaction	Pages 11 – 12
Economic reasons and financial benefits of the Transaction for the Company	Page 12
Effect of the Transaction on the fees of directors of the Company and/or its subsidiaries	Page 16
Board Directors, company auditors, general directors and executives involved in the Transaction	Page 16
Procedure for approving the Transaction	Pages 16 – 18

The document listed in letter (d) above is incorporated by reference in its entirety.

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

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

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus have been filed with the Irish Stock Exchange and may be inspected, free of charge, at the specified offices of the Principal Paying Agent, on the website of the Irish Stock Exchange (www.ise.ie) and on the website of the Issuer at the links provided above.

[2] *See footnote 1 above.*

FINAL TERMS AND DRAWDOWN PROSPECTUSES

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

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

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

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

FORMS OF THE NOTES

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

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

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

Temporary Global Note exchangeable for Permanent Global Note

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

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

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

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

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

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

(ii) at any time, if so specified in the relevant Final Terms; or

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

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

Temporary Global Note exchangeable for Definitive Notes

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

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

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

Permanent Global Note exchangeable for Definitive Notes

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

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

(ii) at any time, if so specified in the relevant Final Terms; or

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

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the

principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

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

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

Legend concerning United States persons

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

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

TERMS AND CONDITIONS OF THE NOTES

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

1. **Introduction**

(a) ***Programme***: SIAS S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €2,000,000,000 in aggregate principal amount of notes (the "**Notes**") or such other maximum aggregate principal amount of Notes which may be outstanding under the Programme as may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations. The Notes are issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time. Notes issued under the Programme may be secured or unsecured.

(b) ***Final Terms***: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) ***Trust Deed***: The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 14 December 2017, which amends, restates and supersedes the trust deed dated 20 December 2016 which, in turn, amended, restated and superseded earlier versions thereof (as amended, restated or supplemented from time to time, the "**Trust Deed**") between the Issuer and Deutsche Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

(d) ***Agency Agreement***: The Notes are the subject of an issue and paying agency agreement dated 14 December 2017, which amends, restates and supersedes the agency agreement dated 20 December 2016 which, in turn, amended, restated and superseded earlier versions thereof (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

(e) ***Intercreditor Agreement and Deeds of Pledge***: The Secured Notes are subject to, and have the benefit of, (i) an Italian law governed intercreditor agreement dated 8 October 2010 (as amended or supplemented from time to time, the "**Intercreditor Agreement**") between, *inter alios*, the Issuer, Mediobanca – Banca di Credito Finanziario S.p.A. as intercreditor agent (the "**Intercreditor Agent**"), the Trustee and the other Secured Creditors and (ii) one or more Italian law governed deeds of pledge over the receivables arising from intercompany loans granted to the Subsidiaries of the Issuer out of the proceeds of the Secured Notes (*pegni di crediti*) as may be entered into from time to time (the "**Deeds of Pledge**") to be entered into by the Issuer in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of the relevant Series of Secured Notes.

(f) ***The Notes***: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms (including any Secured Notes). Copies of the relevant Final Terms are available for viewing at the Specified Office of each of the Paying Agents.

(g) ***Summaries***: Certain provisions of these Conditions are summaries of the Trust Deed, the Security Documents (as defined below) and the Agency Agreement, and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest

coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) and, where applicable, talons for further Coupons ("**Talons**") are bound by, have the benefit of and are deemed to have notice of, all the provisions of the Trust Deed, the Security Documents and the Agency Agreement applicable to them. Copies of the Trust Deed, the Security Documents and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

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

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

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

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

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

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

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

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

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

Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

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

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

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

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

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

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

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

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

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

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

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

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

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

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

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

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

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

"**Group**" means SIAS S.p.A. and its Subsidiaries from time to time;

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

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

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

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

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

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

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

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

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in

accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

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

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

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

"**Limited Recourse Transaction**" means the ownership, acquisition (in each case, in whole or in part), development, design, restructuring, leasing, refinancing, maintenance, management and/or operation of any asset or assets (including, without limitation, Concessions granted by public entities and authorities) and/or any company(ies) or entity(ies) holding such assets or Concessions and/or any interest or equity participation therein;

"**Limited Recourse Indebtedness**" means any Indebtedness incurred and/or guaranteed by one or more members of the Group other than the Issuer (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) the assets of such Limited Recourse Transaction and the cash flows generated by or through it and/or (ii) an amount equal to the proceeds deriving from the enforcement of any Security Interest taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and

(ii) the relevant creditor(s) has/have no recourse whatsoever against the assets of the Issuer or any Material Subsidiary other than (i) the Limited Recourse Transaction and the Security Interest (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).

For the avoidance of doubt, in no circumstances may an Intercompany Loan qualify as Limited Recourse Indebtedness.

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

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

(i) the net worth, assets or revenues of the Issuer or the consolidated net worth, assets or revenues of the Group taken as a whole from that shown in the most recently published financial statements of the Issuer or the Group (as the case may be); or

(ii) the ability of the Issuer to perform and comply with its payment obligations or other material obligations under the Trust Deed or the Notes; or

(iii) the validity, legality or enforceability of the Trust Deed or the Notes;

"**Material Subsidiary**" means (i) any Subsidiary of the Issuer that receives an Intercompany Loan at any time for so long as such Intercompany Loan is outstanding and/or (ii) any Subsidiary of the Issuer which accounts for 10 per cent. or more of the Consolidated Assets or Consolidated Revenues of the Group *provided that* in no circumstances shall a member of the Group which has not incurred any Indebtedness other than Limited Recourse Indebtedness qualify as a Material Subsidiary;

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

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

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

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

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

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

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

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

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Encumbrances**" means:

(i) any lien arising by operation of law or regulated in a given Concession;

(ii) any Security Interest in existence on the relevant Issue Date of each Series of Notes;

(iii) any Security Interest securing any Limited Recourse Indebtedness;

(iv) any Security Interest created by a company which becomes a Material Subsidiary or any Security Interest over the shares / quotas of a company which becomes a Subsidiary of the Issuer or of a Material Subsidiary after the date of the relevant Final Terms and where such Security Interest already exists at the time that company becomes a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary, as the case may be (*provided that* such Security Interest was not created in contemplation of that company becoming a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary, and the aggregate principal amount secured at the time of that company becoming a Material Subsidiary or a Subsidiary of the Issuer or of a Material Subsidiary is not subsequently increased); and

(v) any Security Interest created in substitution of any security permitted under paragraphs (i) to (iv) above, *provided that* the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest;

"**Permitted Reorganisation**" means:

(i) in the case of a Material Subsidiary:

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

(B) a sale, demerger, contribution or other disposal of all or Substantially All of the relevant Material Subsidiary's assets whilst solvent to any Person on commercial arm's length terms; or

(ii) in the case of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent whereby all or Substantially All of its assets and undertaking are transferred, sold, contributed, assigned or otherwise vested in a body corporate in good standing and such body corporate (1) assumes or maintains (as the case may be) liability as principal debtor in respect of the Notes; and (2) continues substantially to carry on the business of the Issuer;

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

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

(i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

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

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

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

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

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call) or the Optional Redemption Amount (Put);

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

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

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

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) whose affairs and policies the first Person controls or has the power to control, directly or indirectly, whether by ownership of share capital, contract, the power to appoint or remove the majority of the members of the governing body of the second Person or otherwise pursuant to Article 2359 of the Italian Civil Code; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of the first Person;

"**Substantially All**" means a part of the whole which accounts for eighty per cent. (80%) or more;

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

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

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

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

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

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

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

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the relevant Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

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

4. **Status and Negative Pledge**

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

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

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

5. **Special Provisions of Secured Notes**

(a) ***Application***:

(i) Condition 5(b) (*Special Provisions of Secured Notes – Pledge*) and Condition 5(c) (*Special Provisions of Secured Notes – Intercreditor Agreement*) are applicable to the Notes only if the "**Secured Note Provisions**" are specified in the relevant Final Terms as being applicable;

(ii) Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) and Condition 5(e) (*Special Provisions of Secured Notes – Step-Up Event following Conversion*) are applicable to the Notes only if both the

"**Secured Note Provisions**" and the "**Conversion from Secured Notes to Unsecured Notes**" are specified in the relevant Final Terms as being applicable; and

(iii) Condition 5(e) (*Special Provisions of Secured Notes- Step-Up Event following Conversion*) is applicable to Unsecured Notes issued following the Conversion if the "**Step-Up Margin**" is specified in the relevant Final Terms.

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

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

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

(i) a Compliance Certificate; and

(ii) an Independent Auditors Certificate.

Following receipt by the Trustee of a Conversion Notice as set out above and the Trustee having found such notification satisfactory to it, the Secured Notes shall be converted into Unsecured Notes on the date of notification being given to the Noteholders by the Trustee, such notice to be given within 15 Business Days of receipt by the Trustee of the Conversion Notice and to be given pursuant

to Condition 19 below ("**Conversion**" and the date of such Conversion, the "**Conversion Date**"). Holders of formerly Secured Notes (the "**Formerly Secured Notes**") shall then have the immediate benefit of the provisions of Condition 5(e) below from the Conversion Date. For the purpose of this Condition 5(d), "**Business Day**" shall mean a day on which commercial banks are open for business in London.

(e) ***Step-Up Event following Conversion***: If at any time prior to the Conversion:

(i) the Notes carry a credit rating from a Rating Agency and after the delivery of a Conversion Notice or at any time following the Conversion Date (as applicable):

(A) a Conversion Downgrade occurs; or

(B) the Issuer Debt Ratio is lower than the Conversion Threshold as verified upon any Conversion Threshold Test Date; or

(ii) the Notes do not carry a credit rating from a Rating Agency and following the delivery of a Conversion Notice or following the Conversion Date (as applicable), the Issuer Debt Ratio is lower than the Conversion Threshold as verified upon any Conversion Threshold Test Date,

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

For the purposes of this Condition 5(e):

(1) the Issuer undertakes to notify the Trustee, the Noteholders (pursuant to Condition 19 (*Notices*)) and the Paying Agents of any Conversion Downgrade referred to in (i) above within 15 days of such event occurring; and

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

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

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

"**Conversion Downgrade**" means an event that will be deemed to have occurred if the rating of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion is downgraded and the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such downgrade was caused by the structural subordination of the Issuer and consequently of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion so that, in case of bankruptcy or liquidation of the Issuer, the claims of the holders of the Formerly Secured Notes and of any Unsecured Notes issued following the Conversion against the Subsidiaries would be subordinated to, and satisfied after, the claims of direct creditors of such Subsidiaries;

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

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

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

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

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

6. **Fixed Rate Note Provisions**

(a) ***Application***: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the relevant Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) ***Calculation of interest amount***: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

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

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

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

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

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

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

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

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

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

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

(d) ***ISDA Determination***: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) ***Maximum or Minimum Rate of Interest***: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) ***Calculation of Interest Amount***: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) ***Calculation of other amounts***: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(h) ***Publication***: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) ***Notifications etc***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

(a) ***Application***: This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***: If the relevant Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, such Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has

received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) ***Scheduled redemption***: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).

(b) ***Redemption for tax reasons***: The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

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

(A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (i) Italy or (ii) the jurisdiction of residence and/or incorporation of the Issuer, any successor to the Issuer or any of the Material Subsidiaries following a Permitted Reorganisation, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes (or the date that any successor to the Issuer or any of the Material Subsidiaries following a Permitted Reorganisation assumes the obligations of the Issuer or any of the Material Subsidiaries hereunder); and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

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

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

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

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

(c) ***Redemption at the option of the Issuer***: If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) ***Partial redemption***: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Clean-Up Call Option***: If the Clean-up Call Option (defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, at its option (the "**Clean-Up Call Option**") but subject to having given not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders, redeem all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their principal amount together with interest accrued to the date fixed for redemption.

(f) ***Redemption at the option of Noteholders on the occurrence of a Put Event***: If the Put Option is specified in the relevant Final Terms as being applicable and a Put Event (as defined below) occurs, then, unless at any time the Issuer has given a notice under either Condition 9(b), 9(c) or 9(e) in respect of the Notes, each Noteholder will, upon the giving of a Put Option Notice at least fifteen Business Days prior to the Optional Redemption Date (Put), have the option to require the Issuer to redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the holder of a Note must promptly upon becoming aware that a Put Event (as defined below) has occurred, and in any event no later than 21 days after the occurrence of the Put Event, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

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

(A) at the time of the occurrence of any of the events in paragraphs (1) to (7) below, neither the Issuer nor the Notes have a credit rating from any Rating Agency; or

(B) as a consequence of the occurrence of any of the events mentioned in paragraphs (1) to (7) below, a Put Downgrade occurs within 60 days and the relevant Rating Agency announces

publicly or confirms in writing to the Issuer that such Put Downgrade resulted from the occurrence of one of the events mentioned in paragraphs (1) to (7):

(1) any of the Concessions held by a Material Subsidiary are terminated (prior to the original stated termination date) or revoked, in each case, in accordance with their respective terms; or

(2) a ministerial decree has been enacted granting to another person or entity one or more of the Concessions held by a Material Subsidiary prior to the original stated termination date (in each case, other than where such Concessions have been granted to another member of the Group); or

(3) it becomes unlawful for any Material Subsidiary to perform any of the material terms of any of the Concessions; or

(4) one or more of the Concessions held by a Material Subsidiary are unilaterally declared by the competent authority to cease before their original stated termination date; or

(5) one or more of the Concessions cease, prior to the original stated termination date, to be held by a Material Subsidiary or any successor resulting from a Permitted Reorganisation; or

(6) one or more of the Concessions held by a Material Subsidiary are amended in a way which has a Material Adverse Effect; or

(7) (A) in relation to a Material Subsidiary which has received an Intercompany Loan out of the funds arising from the issue of a Series of Secured Notes and in which, at the time of the issue of such Secured Notes, the Issuer owned, directly or indirectly, a number of shares or quotas equal to at least 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary, the Issuer ceases to own, directly or indirectly, at least 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary or the right to determine the composition of the majority of the board of directors of such a Material Subsidiary, or

(B) in relation to a Material Subsidiary which has received an Intercompany Loan out of the funds arising from the issue of a Series of Secured Notes and in which, at the time of the issue of such Secured Notes, the Issuer owned, directly or indirectly, a number of shares or quotas lower than 50% plus 1 ordinary share or quota interest of the equity capital of such Material Subsidiary, the Issuer ceases to own, directly or indirectly, the percentage of the equity capital of such Material Subsidiary set forth in the relevant Final Terms (such percentage not necessarily being equal to the one held by the Issuer at the time of issue of the relevant Notes).

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

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

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

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

(i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent or better) from any Rating Agency and such rating is either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or is withdrawn; or

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

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

(g) ***No other redemption***: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.

(h) ***Early redemption of Zero Coupon Notes***: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

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

(i) ***Purchase***: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith. If purchases are made by tender, tenders must be available to all Noteholders alike. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 9(i) may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

(j) ***Cancellation***: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may be cancelled and may not be reissued or resold, without prejudice to Condition 9(i) above in respect of Notes so purchased by the Issuer or any of its Subsidiaries.

10. **Payments**

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

(b) ***Interest***: Payments of interest shall, subject to paragraph (g) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) ***Payments in New York City***: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) ***Payments subject to fiscal laws***: All payments in respect of the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without

prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 through 1474 of that Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons***: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

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

(f) ***Unmatured Coupons void***: If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase − Redemption for tax reasons*), Condition 9(f) (*Redemption and Purchase − Redemption at the option of Noteholders on the occurrence of a Put Event*), Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Condition 9 (e) (*Clean-Up Call Option*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Taxation**

(a) ***Gross up***: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the amount of the payments of principal and interest in respect of the Notes and the Coupons due by or on behalf of the Issuer shall be increased to an amount which, after applying the aforementioned withholding or deduction, leaves an amount equal to the payment which would have been due if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(i) in the Republic of Italy; or

(ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy, other than the mere holding of the Note or Coupon; or

(iii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or

(iv) by or on behalf of a holder of the Notes or Coupons who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or residence or other similar claim for exemption; or

(v) by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a tax haven country pursuant to Article 110, paragraph 10 of Presidential Decree No. 917 of 22 December 1986 (as currently defined and listed in the Italian Ministry of Finance Decree of 23 January 2002); or

(vi) in relation to any payment or deduction of any interest, premium or proceeds of any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") as amended and/or supplemented or any regulations implementing or complying with such Decree; or

(vii) where such withholding or deduction is required pursuant to Article 26 of the Italian Legislative Decree No. 600 of 29 September 1973 ("**Decree 600**") as amended and/or supplemented or any regulations implementing or complying with such Decree; or

(viii) with respect to any Notes qualifying as "atypical" securities (*titoli atipici*), where such withholding or deduction is required pursuant to Italian Law Decree 30 September 1983, No. 512, converted with amendments by Law 25 November 1983, No. 649, as subsequently amended and/or supplemented; or

(ix) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law or regulation implementing an intergovernmental approach thereto as amended from time to time.

(b) ***Taxing jurisdiction***: If the Issuer becomes subject with respect to its income at any time to any taxing jurisdiction other than Italy by reason of its tax residence or a permanent establishment maintained therein, references in these Conditions to Italy shall be construed as references to Italy and/or such other jurisdiction.

12. **Events of Default**

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

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof and such failure continues for a period of 7 days or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or

(b) ***Breach of other obligations***: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, pursuant to the Trust Deed and/or pursuant to the relevant Security Documents (the latter in the case of Secured Notes of the relevant Series only) and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 60 days after and Trustee has given written notice thereof, to the Issuer; or

(c) ***Cross-default of Issuer or Material Subsidiaries***:

(i) any Indebtedness (other than Limited Recourse Indebtedness) of the Issuer or any of the Material Subsidiaries is not paid when due or (as the case may be) within any applicable grace period; or

(ii) any such Indebtedness (other than Limited Recourse Indebtedness) becomes due and payable prior to its stated maturity by reason of an event of default, howsoever described; or

(iii) the Issuer or any of the Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness (other than Limited Recourse Indebtedness) within any applicable grace period; or

provided that an event of default pursuant to this Condition 12(c) (*Events of Default – Cross-default of Issuer or Material Subsidiaries*) shall only occur if the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment***: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment an aggregate amount in excess of €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of the Material Subsidiaries (other than in relation to Limited Recourse Indebtedness) and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: any mortgage, charge, pledge, lien or other encumbrance (other than Permitted Encumbrances which definition, for the purposes of this Condition 12(e) only, shall exclude any Security Interest created pursuant to the Security Documents) created or assumed by the Issuer or any of its Material Subsidiaries in respect of all or a substantial part of the property, assets or revenues of the Issuer or any of the Material Subsidiaries becomes enforceable and any step is taken to enforce it

(including the taking of possession or the appointment of a receiver, manager or other similar person); or

(f) ***Insolvency etc***: (i) the Issuer or any of the Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of the Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of the Material Subsidiaries is appointed (or application for any such appointment is made unless such application is contested or stayed in good faith or dismissed within 60 days) or (iii) the Issuer or any of the Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations (other than any agreement evidenced in writing amending the terms of any obligation entered into in the ordinary course of its business by the Issuer or a Material Subsidiary (as the case may be), in each case whilst solvent and in circumstances other than inability to pay debts and in which no event of default (howsoever described) has occurred) or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or

(g) ***Change of business***: the Issuer or any of the Material Subsidiaries ceases or threatens to cease to carry on all or Substantially All of its business (otherwise than for the purposes of a Permitted Reorganisation or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), *provided that* neither (i) the expiry of one or more Concessions at its original stated termination date nor (ii) the occurrence of a Put Event listed under Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Put Event*) will trigger the event of default set forth in this Condition 12(g) (*Events of Default – Change of business*); or

(h) ***Winding up etc***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of the Material Subsidiaries (otherwise than for the purposes of a Permitted Reorganisation or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(i) ***Analogous event***: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) above; or

(j) ***Failure to take action etc***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, the Trust Deed and, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons, the Trust Deed and, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, admissible in evidence in the courts of Italy is not taken, fulfilled or done; or

(k) ***Unlawfulness***: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, unless the matter giving rise to such unlawfulness is promptly remedied by the Issuer; or

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

13. **Prescription**

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

14. **Replacement of Notes and Coupons**

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

15. **Trustee and Agents**

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

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

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

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

(a) the Issuer shall at all times maintain a Principal Paying Agent; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

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

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

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

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

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

rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding:

(i) a meeting of Noteholders may be convened by the Issuer and/or by the Noteholders' Representative (as defined below) and/or by the Trustee and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;

(ii) a meeting of Noteholders may be held depending on the relevant provisions of the by-laws of the Issuer as a single call meeting ("**Single Call Meeting**") or as a multiple-call meeting ("**Multiple Call Meeting**") and will be validly held if (1) in the case of a Single Call Meeting, there are one or more persons present, being or representing Noteholders holding at least one-fifth of the principal amount of the Notes for the time being outstanding or such higher quorum as may be provided for in the Issuer's by-laws or (2) in the case of a Multiple Call Meeting, (A) there are one or more persons present, representing or holding at least half of the aggregate principal amount of the outstanding Notes, or (B) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are one or more persons present representing or holding more than one third of the aggregate principal amount of the outstanding Notes, or (C) in the case of any subsequent meeting following a further adjournment for want of quorum, there are one or more persons present representing or holding at least one fifth of the aggregate principal amount of the outstanding Notes *provided, however, that* Italian law and/or the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a Single Call Meeting or as a Multiple Call Meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time; and

(iii) the majority required to pass an Extraordinary Resolution at any meeting (including any meeting convened following adjournment of the previous meeting for want of quorum) will be (A) for voting on any matter other than a Reserved Matter, at least two-thirds of the aggregate principal amount of the Notes represented at the meeting or (B) for voting on a Reserved Matter, the higher of (i) one half of the aggregate principal amount of the outstanding Notes, and (ii) two thirds of the aggregate principal amount of the Notes represented at the meeting, *provided, however, that* the Issuer's by-laws may in each case under (A) and (B) above (to the extent permitted under applicable Italian law) provide for a larger majority.

Extraordinary Resolutions passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

(b) ***Noteholders' Representative***: A representative of the Noteholders (*rappresentante comune)* (the "**Noteholders' Representative**"), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders pursuant to Article 2415 of the Italian Civil Code, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

(c) ***Modification and waiver***: The Trust Deed contains provisions according to which the Trustee may, without the consent of the holders of the Notes, agree (i) to any modification of these Conditions, the Notes, the Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of the holders of the Notes and (ii) to any modification of these Conditions , the Notes, the Agency Agreement or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the parties to the Trust Deed may agree, without the consent of the holders of the Notes, to modify any provision thereof it is made to comply

with mandatory laws, legislation, rules and regulations of Italy and the Issuer's by-laws applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution and entered into force at any time while the Notes remain outstanding.

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

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the Notes as soon as practicable thereafter.

Modification/Waiver in respect of Intercreditor Agreement

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

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

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the Secured Notes as soon as practicable thereafter.

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

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

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

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the relevant Secured Notes as soon as practicable thereafter.

17. **Enforcement**

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

(a) it has been so requested in writing by the holders of at least one fifth of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified or provided with security to its satisfaction.

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

18. **Further Issues**

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

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading English-language daily newspaper (which is expected to be the *Financial Times*) and, if the Notes are admitted to trading on the Irish Stock Exchange, 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.

20. **Currency Indemnity**

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

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

21. **Rounding**

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

22. **Governing Law and Jurisdiction**

(a) ***Governing law***: The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law. Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) and the provisions of the

Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law.

(b) ***Jurisdiction***: The courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes. Furthermore, the Issuer has in the Trust Deed (i) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (ii) designated a person in England to accept service of any process on its behalf; (iii) consented to the enforcement of any judgment; and (iv) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

(c) ***Process agent***: The Issuer agrees that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Global Services (UK) Limited at 6 St Andrew Street, 5th Floor, London EC4A 3AE, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Parts 34 and 37 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

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

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended [, from 1 January 2018,] to be offered, sold or otherwise made available to and [, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

Final Terms dated [date]

SIAS S.p.A.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 14 December 2017 [and the supplemental Base Prospectus dated [●] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive][*] and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at www.ise.ie [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

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

1.	[(i)	Series Number:]	[●]
	[(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below [which is expected to occur on or about [*insert date*]]].]

[*] To be included only if the Notes are to be admitted to listing on the official list, and to trading on the regulated market, of the Irish Stock Exchange or other regulated market for the purposes of the Prospectus Directive.

	[(iv)]	Relevant Material Subsidiar[y/ies]	[●] (*Specify name of Material Subsidiar[y/ies]*) (*Applicable solely in the case of Secured Notes – specify the Material Subsidiary or Material Subsidiaries entering into the relevant Intercompany Loan*)
2.	Specified Currency or Currencies:		[●]
3.	Aggregate Nominal Amount:		[●]
	[(i)]	[Series]:	[●]
	[(ii)	Tranche:	[●]
4.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(i)	Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●]. No notes in definitive form will be issued with a denomination above [●].] (*No Notes shall be issued that have a minimum denomination of less than €100,000 or its equivalent in another currency.*) *[In relation to any issue of Notes which are "exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to or greater than €100,000 (or equivalent) and multiples thereof.]*
	(ii)	Calculation Amount:	[●]
6.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
7.	Maturity Date:		(*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.*)
8.	Interest Basis:		[[●] per cent. Fixed Rate] [[●] month [LIBOR/EURIBOR]] +/– [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below in paragraphs 13 - 15)
9.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]
10.	Change of Interest or Redemption/Payment Basis:		[*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 13 and 14 below and identify there*/Not Applicable]
11.	Put/Call Options:		Put Option [Applicable/Not Applicable] Call Option [Applicable/Not Applicable] Clean-up Call Option [Applicable/Not Applicable]

			[(further particulars specified below in paragraphs 16 - 20)]
12.	[(i)]	[Date [Board] approval for issuance of Notes] [and Deed[s] of Pledge][and] [Board and Material Subsidiar[y/ies]] approval of the Intercompany Loan[s] obtained:	[●][registered with the Companies' Registry of [Turin] on [●]] [and] [●], respectively [*Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes. In the case of Secured Notes, provide the date of the resolutions approving the relevant Deed(s) of Pledge by the Issuer and the relevant Intercompany Loan(s) by both the Issuer and the relevant Material Subsidiary or Material Subsidiaries*]
	[(ii)]	[Secured Note Provisions]	[Not Applicable] [Applicable – the Notes are Secured Notes pursuant to Condition 5 and the Conversion mechanism pursuant to Condition 5(d) applies.] (*Only relevant in the case of Secured Notes*) [on [●]: (I) SIAS and [*insert name of Material Subsidiary*] entered into an interest bearing intercompany loan pursuant to which SIAS will grant [*insert name of Material Subsidiary*] an intercompany loan of a principal amount of [*insert currency*] [*insert amount*] out of the proceeds of the Secured Notes; [(II) SIAS and [*insert name of Material Subsidiary*] entered into an interest bearing intercompany loan pursuant to which SIAS will grant [*insert name of Material Subsidiary*] an intercompany loan of a principal amount of [*insert currency*] [*insert amount*] out of the proceeds of the Secured Notes;] (III) SIAS executed [*insert number*] deed[s] of pledge over any and all receivables and monetary claims (*crediti pecuniari*) arising out from the intercompany loan[s] referred to under (I) [and (II)] above in favour of the holders of the Secured Notes and the Trustee in order to secure the complete and timely fulfilment of all its obligations arising under the Secured Notes.]
	[(iii)]	[Conversion from Secured Notes to Unsecured Notes]	[Applicable/Not Applicable]
	[(iv)]	[Step-Up Margin]	[[●] per cent. per annum/Not Applicable] *[The Step-Up Margin may also apply to Unsecured Notes issued after the Conversion of any Secured Notes as per Condition 5(e).]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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

(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]):	[[*Name*] shall be the Calculation Agent *(no need to specify if the Principal Paying Agent is to perform this function)*]
(ix)	Screen Rate Determination:	
	● Reference Rate:	[[●] month LIBOR/EURIBOR]
	● Interest Determination Date(s):	[●]
	● Relevant Screen Page:	[●]
	● Relevant Time:	[●]
	● Relevant Financial Centre:	[●]
(x)	ISDA Determination:	
	● Floating Rate Option:	[●]
	● Designated Maturity:	[●]
	● Reset Date:	[●]
	● ISDA Definitions:	[2000/2006]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]
15.	Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16.	Call Option	[Applicable/Not Applicable]

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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

		[In relation to any issue of Notes which are "exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to or greater than, €100,000 (or equivalent) and multiples thereof.]
22.	New Global Note:	[Yes] [No]
23.	Additional Financial Centre(s):	[Not Applicable/ [●]] *Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 14(v) relates.*]
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes] / [No]

PURPOSE OF FINAL TERMS

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

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

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing	[Irish Stock Exchange/ None]
(ii)	Admission to trading	[Application [has been/is expected to be] made to the Irish Stock Exchange by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on its regulated market with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading	[●]

2. **RATINGS**

Ratings: [Unrated]/[The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

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

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

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

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

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

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

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

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

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*]

4. **[*Fixed Rate Notes only* – YIELD**

Indication of yield:	[●] Calculated as on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

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

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

6. **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Principal Paying Agent(s):	[●]
Names and addresses of additional Principal Paying Agent(s) (if any):	[●]

Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	[Not Applicable/*give names*]
	(a) names and addresses of Managers:	
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(iii)	If non-syndicated:	[Not Applicable/*give name*]
	(a) Name and address of Dealer:	[●]
(iv)	U.S. Selling Restrictions:	Reg. S Compliance Category[1/2/3]: [TEFRA C] [TEFRA D] [TEFRA not applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

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

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

Exchange of Temporary Global Notes

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

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

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

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

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued

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

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5:00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5:00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed and/or, in the case of Secured Notes, under the Security Documents, executed by the Issuer). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

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

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

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

Conditions applicable to Global Notes

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

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

in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

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

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

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

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

(a) if the currency of payment is Euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) additional Financial Centre; or

(b) if the currency of payment is not Euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

USE OF PROCEEDS

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

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

DESCRIPTION OF THE ISSUER

Overview

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

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

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

At the date of this Base Prospectus, SIAS has a share capital of Euro 113,771,078.00 divided into 227,542,156 ordinary shares, having a nominal value of Euro 0.50 each. The ordinary shares of SIAS have been listed on the *Mercato Telematico Azionario*, the screen-based market of the Italian Stock Exchange, since 2002. As at the date of this Base Prospectus, SIAS had a market capitalisation of approximately Euro 3.4 billion.

SIAS is the parent company of the group consisting of SIAS and its consolidated subsidiaries (collectively, the "**Group**" or the "**SIAS Group**"). The Group is composed primarily of companies which hold concessions for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy and abroad and other companies which supply services related to its principal motorway activities. In particular, SIAS mainly operates, through its main consolidated motorway subsidiaries and other non-consolidated companies in which it holds, directly and indirectly, minority equity interests, in the north-west of Italy, in Brazil and in the United Kingdom and manages, through such companies, approximately 3,317 kilometres in total, comprising 1,373 kilometres (104 kilometres of which are under construction) of the Italian motorway network and 1,944 kilometres abroad, including 1,858 kilometres of the Brazilian motorway network (for further information, see "*– International Motorway Activities – Motorway activities in Brazil*" below).

History

SIAS was constituted on 5 February 2002 through a partial and proportional demerger (*scissione parziale e proporzionale*) of Autostrada Torino-Milano S.p.A. (renamed ASTM S.p.A. in January 2013, "**ASTM**") which contributed a part of its business activities to SIAS.

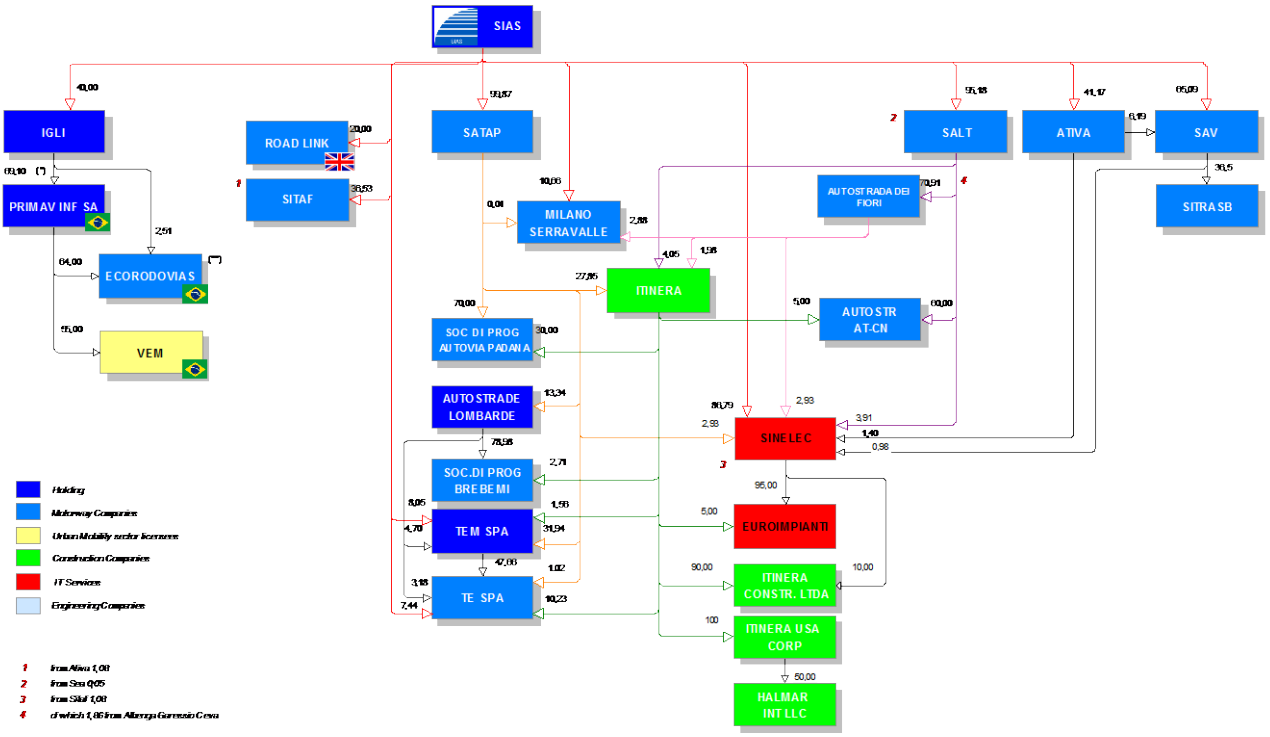
ASTM was established on 28 November 1928 for the construction, operation and maintenance of the motorway linking Turin and Milan. On 30 November 1929, a ministerial convention authorised the construction and operation of such motorway; on 25 October 1932, following a construction period of 30 months,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

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

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

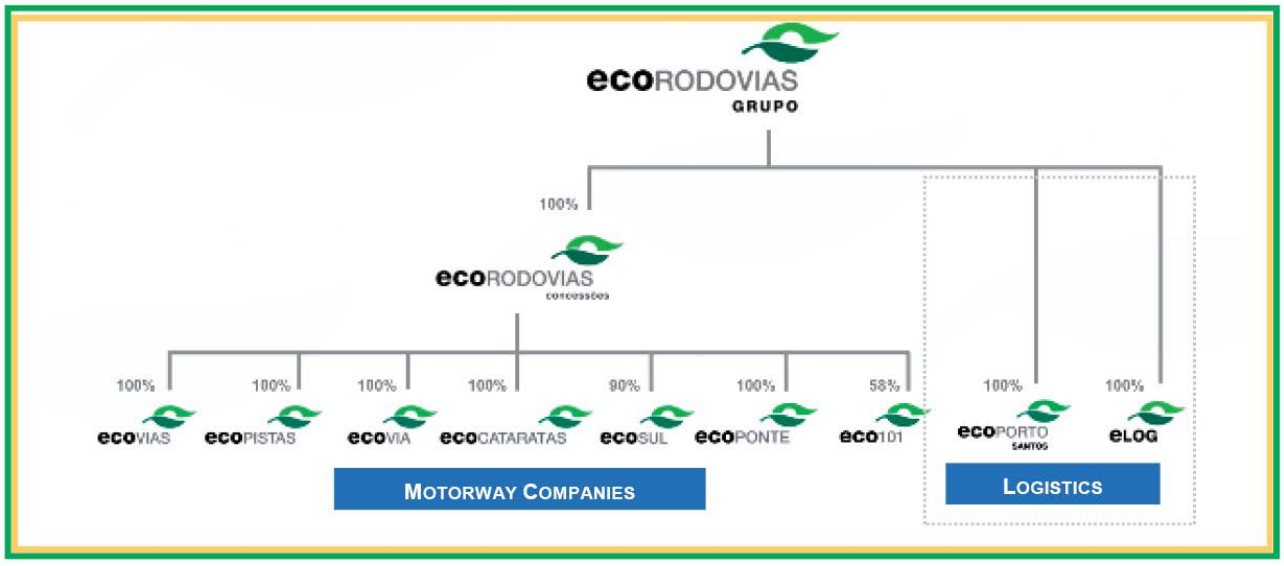
SIAS Group

The following diagrams illustrate the principal consolidated subsidiaries of SIAS and the main non-consolidated companies in which SIAS holds, directly and indirectly, an equity interest as at the date of this Base Prospectus.



(°) Based on the contractual agreements, this percentage corresponds to 50 per cent of the voting rights.

(°°) Brazilian holding company (listed on the Novo Mercado BOVESPA and jointly controlled), which holds companies operating in the motorway concession and logistics sectors, as detailed below.



Strategy

The main strategic objective of the Group is to increase shareholder value while focusing on improving the quality and the range of services offered to its customers. In order to achieve this, the Group's strategy, as outlined in the "*Going Global*" strategic plan for the 2017-2021 period (the "**Strategic Plan**"), is based on the following pillars:

- **growth and geographical diversification**: implementation of a growth strategy based on a geographical expansion in selected areas and consolidation of the domestic market, while focusing on core businesses (Motorway concessions, Engineering, Procurement and Construction and Technology); the Group's objective is to, *inter alia*, create a global infrastructure platform, multiply business opportunities and leverage on knowledge and skills, exporting industrial best practices;

- **efficiency and simplification**: the implementation of an integrated business model with an industrial approach will play a key role in streamlining the Group. This is intended to impact on the Group's organisational models and corporate structure, financial discipline and savings, innovation processes, competitiveness and profitability, while reinforcing the Group's ability to react to the changes and challenges that international markets require and facilitate the Group's international expansion;

- **strategic partnerships**: exploiting the Group's industrial expertise, the Group plans to develop stable and long term strategic partnerships with financial investors and industrial operators, with the aim of maximizing the allocation of invested capital, multiplying business opportunities and speeding up the process of international growth; in this framework, the Group also aims to strengthen its industrial role and controlling governance, maintaining a solid financial profile;

- **shareholders remuneration**: the development of sustainable growth will be associated with an increase in shareholder remuneration.

Business of the Group

The Group operates primarily:

- in the **motorway sector** (i) in the North-West of Italy through the companies referred to under "– *Italian Motorway Activities*"; and (ii) abroad, in Brazil and in the United Kingdom, through the companies referred to under "– *International Motorway Activities*", below);

- in the **technology sector** (including optical fibres, advanced mobility management systems and traffic management software) principally through the subsidiary SINELEC S.p.A.; and

- in the **construction sector** (motorway infrastructure maintenance and expansion services primarily for Group concession operators as well as feasibility studies and planning services in relation to railways and motorway works) principally through ITINERA S.p.A., a non-consolidated company in which SIAS indirectly holds a 33.88% per cent. equity interest (for further information see "– *Construction and engineering sector*", below).

Until 29 November 2017, the Group, through SIAS Parking S.r.l., a company 100 per cent. owned by SIAS ("**SIAS Parking**"), also held equity interests in companies operating in the car parking sector (for further information, see "*Disposal of all the holdings in companies operating in the car parking sector*", below).

In 2016, the Group's revenues[(1)] were Euro 1,170.9 million and its profits for the period were equal to approximately Euro 184.4 million.

The following table provides a breakdown of the Group's revenues[(1)] by area of activity for the years ended 31 December 2015 and 2016 and for the six months ended 30 June 2017.

	Audited Year ended 31 December				**Unaudited Six months ended**	
	2016		**2015**		**30 June 2017**	
	€ in millions	*% of Group revenues[(1)]*	*€ in millions*	*% of Group revenues[(1)]*	*€ in millions*	*% of Group revenues[(1)]*
Gross toll revenues, of which:[(2)]	1,053.0	89.93%	1,017.8	86.68%	521.8	90.01%
Net toll revenues	*978.9*	*83.60%*	*945.4*	*80.51%*	*485.4*	*83.73%*
Fees and surcharges to pay at ANAS	*74.1*	*6.33%*	*72.4*	*6.17%*	*36.4*	*6.28%*
Royalties from service areas[(3)]	28.2	2.41%	28.9	2.46%	14.9	2.57%
Engineering and construction activities[(4)]	1.0	0.09%	1.6	0.14%	0.0	0.00%
Technological activities[(5)]	39.0	3.33%	67.1	5.71%	20.7	3.57%
Other revenues[(6)]	46.6	3.98%	52.5	4.47%	22.3	3.85%
Parking	3.1	0.26%	6.4	0.54%	0.0	0.00%
Total	**1,170.9**	**100.00%**	**1,174.3**	**100.00%**	**579.7**	**100.00%**

1. *With regards to motorway concession holders, IFRIC 12 provides for full recognition of revenue and costs for "construction activity" concerning non-compensated revertible assets. Therefore, Group revenues presented here exclude the revenue portion of such non-compensated revertible assets, which are presented in the financial statements as revenues from "motorway sector – planning and construction activities".*
2. *Law Decree 78/2009, converted into Law 102/2009, has replaced the premium ("sovrapprezzo") with an extra fee ("sovracanone") with effect from 5 August 2009. The method used to calculate the amounts to be paid to ANAS/MIT are unchanged. Therefore, the revenues from motorway tolls are shown inclusive of the extra fee which, being a concession fee, has been classified as "other management costs". Article 15, paragraph 4 of Law Decree 78/2010 has introduced a further increase of the mentioned "sovracanone" (for further information, see "Regulatory – Mechanism and Procedure for the annual adjustment of the Tariffs").*
3. *"Royalties from service areas" mainly refers to tolls on the service areas of sub concessions.*
4. *"Engineering and construction activities" refers to the aggregate amount of the production in favour of third parties not belonging to the Group executed by subsidiaries which operate in the construction and engineering industry.*
5. *"Technological activities" refers to the aggregate amount of the production in favour of third parties not belonging to the Group executed by subsidiaries which operate in the technology industry.*
6. *"Other revenues" mainly refers to compensations for damages, recovery of expenses, revenues for works executed on behalf of third parties, contributions during the fiscal year and the relevant quota of the revenues due to the discounting of the debt with the Fondo Centrale di Garanzia.*

Key financial and operating data

The tables below show key financial and operating data of the Group as at and for the six months ended 30 June 2017 and as at and for the years ended 31 December 2016 and 2015, respectively.

(€ in millions, except Adjusted EBITDA margin and Adjusted net debt/adjusted EBITDA)	As at and for the year ended 31 December		As at and for the six months ended
	2016	**2015**	**30 June 2017**
Adjusted Revenues[(1)]	1,090.1	1,087.9	538.2
of which net toll revenues	*978.9*	*945.4*	*485.4*
Adjusted EBITDA	661.5	651.8	322.6
Adjusted EBITDA margin[(2)]	*60.7%*	*59.9%*	*59.9%*
Net result assigned to the Parent Company's Shareholders	162.0	160.7	78.8
Adjusted net results assigned to the Parent Company's Shareholders	167.2	154.1	95.3
Adjusted net debt	(1,648.1)	(1,581.0)	(1,567.6)
Adjusted net debt/adjusted EBITDA	2.5x	2.4x	n.a
Operating cash flows	422.7	390.1	229.4
Motorway sector capex, net of grants	173.6	200.8	85.9

1. *Adjusted Revenues is calculated excluding "Fees and surcharges to pay at ANAS", "Revenues from construction activities related to the motorway sector", "Revenues related to costs reversal" and "Non-recurring items".*

(€ in millions)	Year ended 31 December		Six months ended
	2016	**2015**	**30 June 2017**
Revenues	**1,346.1**	**1,382.7**	**669.2**
Fees and surcharges to pay at ANAS	(74.1)	(72.4)	(36.4)
Revenues from construction activities related to the motorway sector	(175.2)	(208.4)	(89.5)
Revenues related to costs reversal	(5.9)	(7.1)	(3.2)
Non-recurring items	(0.9)	(6.8)	(1.9)
Adjusted Revenues	**1,090.1**	**1,087.9**	**538.2**

2. *Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenues excluding revenues from "Fees and surcharges to pay at ANAS", "Revenues from construction activities related to the motorway sector", "Revenues related to costs reversal" and "Non-recurring items".*

Group's EBITDA

(€ in millions)	Year ended 31 December		Six months ended
	2016	**2015**	**30 June 2017**
Motorway Sector	645.5	612.9	321.6
Construction/Engineering	4.7	5.0	0.3
Technology Sector	18.7	30.9	7.6
Parking Sector	1.4	2.8	0.0
Services (Holdings)	(8.6)	(5.7)	(4.0)
EBITDA before non-recurring items	**661.7**	**645.9**	**325.5**
Non-recurring items	(0.2)	5.9	(2.9)
Adjusted EBITDA	**661.5**	**651.8**	**322.6**

Group's NET DEBT

	Year ended 31 December		Six months ended
	2016	**2015**	**30 June 2017**
Cash and cash equivalents	757.5	954.0	472.9
Financial receivables[(1)]	448.4	470.0	466.1
Current financial liabilities	(736.8)	(240.6)	(358.2)
Net cash / (debt) – current portion	**469.1**	**1,183.4**	**580.8**
Non current financial liabilities	(2,008.9)	(2,635.2)	(1,987.8)
Net debt	**(1,539.8)**	**(1,451.8)**	**(1,407.0)**
Non current financial receivables due from the Granting Body for minimum guaranteed amounts[(2)]	49.8	49.2	2.4
Payables due to ANAS (NPV)	(158.1)	(178.4)	(163.0)
Adjusted net debt	**(1,648.1)**	**(1,581.0)**	**(1,567.6)**

1. *Includes current financial receivables and insurance policies, which are included within other non-current financial assets on the balance sheet. The insurance policies represent a temporary investment of excess liquidity and expire beyond one year; however, the agreeemnts include an option which allows for the investment to be converted in cash in the short term.*
2. *Represents, in accordance with IFRIC 12, the present value of the medium and long-term portion of the minimum cash flows guaranteed by the Granting Body.*

Motorway Activities

The Group derives the principal part of its revenues from its motorway activities through the collection of tolls in Italy. Revenues attributable to the Group's net toll revenues in Italy accounted for 83.6 per cent. and 80.5 per cent of the Group's revenues (excluding revenues from motorway sector – planning and construction activities) for the years ended 31 December 2016 and 31 December 2015, respectively.

Toll revenues are a function of traffic volumes and tariffs charged. Tariff rates applied by the Issuer's consolidated subsidiaries Società Autostrada Torino-Alessandria-Piacenza S.p.A., Società Autostrada Ligure Toscana S.p.A.[3], Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A.[4], Autostrada Asti-Cuneo S.p.A. and Società di Progetto Autovia Padana S.p.A.[5] (each an "**Italian Motorway Subsidiary**" and, together, the "**Italian Motorway Subsidiaries**") are regulated in accordance with Italian law and the relevant concessions granted in order to carry out the motorway activity in the relevant Italian areas (each, an "**Italian Motorway Concession**" and, collectively, the " **Italian Motorway Concessions**"). Adjustments of tariff rates for the Group's Concessions are made on an annual basis and determined in accordance with the respective Italian Motorway Concession agreements. See "*Regulatory*" below.

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

All of the Italian Motorway Concessions held by the Italian Motorway Subsidiaries are set to expire between July 2019 and December 2038 other than (i) the Italian Motorway Concession granted to Autostrada Asti-Cuneo S.p.A. which will expire 23.5 years following the completion of the relevant infrastructure (see however "*– Recent Developments – Potential cross-financing procedure*" for further information on the potential reduction of the tenor of such Italian Motorway Concession in case of successful completion of the cross-financing procedure described therein); and (ii) the Italian Motorway Concession granted to Autovia Padana S.p.A. – as at the date of this Base Prospectus not yet entered into force – which will expire after 25 years from the effective date of the relevant Single Concession (as defined in "*Regulatory*", below). In

[3] As of 1 November 2017, the merger by way of incorporation of Società Autocamionale della Cisa S.p.A. into Società Autostrada Ligure Toscana S.p.A. became effective. For further information, see "*– Recent Developments – Merger between CISA and SALT*".

[4] As of 1 November 2017, the merger by way of incorporation of Autostrada Torino Savona S.p.A. into Autostrada dei Fiori S.p.A. became effective. For further information, see "*– Recent Developments – Merger between ATS and ADF*".

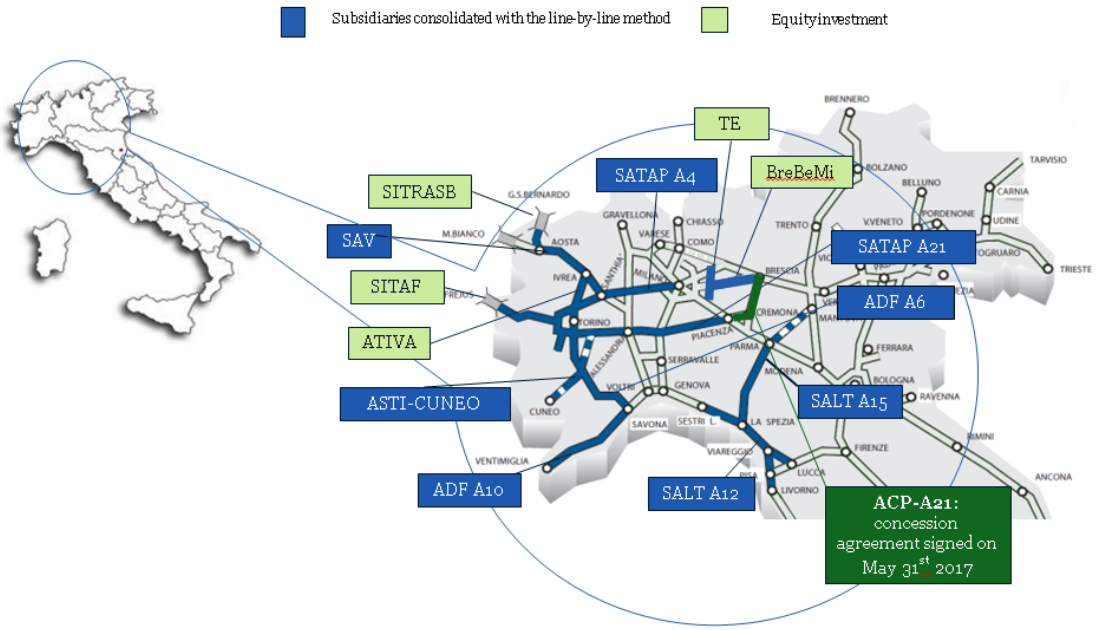
[5] Società di Progetto Autovia Padana S.p.A. will manage the A21 Piacenza - Cremona - Brescia motorway section with effect from the concession agreement effective date. For further information, see "*– Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*".

addition, Società Autostrada Torino-Alessandria-Piacenza S.p.A.manages the A21 Torino-Alessandria-Piacenza motorway section in a *prorogatio* regime following the expiry on 30 June 2017 of the relevant Italian Motorway Concession (for further information, see "*– Italian Motorway Activities – Italian Motorway Subsidiaries*" below).

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

Italian Motorway Activities

In Italy the SIAS Group operates in the north-western part of the country.



As at 31 December 2016, Italian toll and non-toll motorways, including tunnels, bridges and viaducts (the "**Italian Gross Motorway Network**") consisted of 6,941.8 kilometres of motorways, 6,002.0 kilometres of which are toll motorways operated by motorway concessionaires. The Group manages a total of 1,357.7 kilometres of the Italian Gross Motorway Network through its Italian Motorway Subsidiaries and other companies in which SIAS holds, either directly or indirectly, an equity interest, while the remaining 5,584.1 kilometres are partly managed (4,644.3 kilometres) by other motorway concessionaires and partly (939,8 kilometres) managed directly by ANAS/MIT. (*Source: AISCAT – Associazione Italiana Società Concessionarie Autostrade e Trafori*).

As a result of an integration project that began in the latter half of the 1980s, the Italian motorway network operated by the Issuer's consolidated subsidiaries (the "**SIAS Group Italian Network**") and the other companies in which the Group holds an equity interest is also directly linked to the Italian motorways operated and managed by non-Group motorway concessionaires.

The table below sets forth a breakdown, by concessionaire, of the total Italian Gross Motorway Network with a particular focus on the Italian Motorway Subsidiaries and other Italian companies in which the Group holds an equity interest as at August 2017.

Motorway Company	Kilometres in operation	% of total under motorway concession
SATAP	298.0	5.0%
SAV	59.5	1.0%
SALT	255.9	4.3%
ADF	244.1	4.1%
AT-CN	55.0	0.9%
Autovia Padana[(1)]	88.6	1.5%
Total SIAS Group Italian Network	**1,001.1**	**16.8%**
ATIVA	155.8	2.6%
SITAF - A32	81.1	1.3%
SITAF - T4	12.9	0.2%
SITRASB	12.8	0.2%
BreBeMi[(2)]	62.0	1.0%
TE[(3)]	32.0	0.5%
Total managed by non-consolidated companies in which the Group holds an equity interest	**356.6**	**5.8%**
Total Italian motorway managed by companies controlled and/or participated by SIAS	**1,357.7**	**22.6%**
Total Italian Motorway under Concession	**6,002.0**	**100.0%**
Total Italian Motorway managed by ANAS/MIT	**939.8**	
Total Italian Gross Motorway Network	**6,941.8**	

Source: AISCAT — Associazione Italiana Società Concessionarie Autostrade e Trafori ("Informazioni – Monthly Edition August 2017") and Group's internal data.

(1) On 13 May 2015, the concession for the construction, management and maintenance activities relating to the A21 Piacenza - Cremona - Brescia motorway section and the extension to Fiorenzuola d'Arda (PC) was awarded to the consortium formed by SATAP and ITINERA. On 31 May 2017, Società di Progetto Autovia Padana S.p.A. (the company that replaced the consortium between SATAP and ITINERA with effect from 2 December 2015) and the MIT entered into the relevant concession agreement. Società di Progetto Autovia Padana S.p.A. will manage the A21 Piacenza - Cremona - Brescia motorway section with effect from the concession agreement effective date. As at the date of this Base Prospectus, Autostrade Centro Padane S.p.A. manages the A21 Piacenza - Cremona - Brescia motorway section under an "extension" regime. For further information, see "– *Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*".

(2) SIAS and SATAP are expected to divest their holdings in BreBeMi pursuant to the investment agreement entered into with Intesa SanPaolo S.p.A. For further information, see "– *Recent Developments – Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*".

(3) On 16 May 2015, TE (the Milan East Outer Ring Road) was fully opened to traffic. The first 7 kilometres (the so called "Arco TEEM") were opened to traffic in July 2014.

The Group is the second largest concessionaire network in Italy in terms of kilometres of motorways under management, constituting approximately 22.6 per cent. of all Italian motorways under Concession and 19.6 per cent. of the Italian Gross Motorway Network as at 31 December 2016 (including kilometres of motorways under management of the Italian Motorway Subsidiaries and of other Italian companies in which the Group holds an equity interest). The Group operates in the north-west Italian regions (namely, Piemonte, Valle d'Aosta, Lombardia, Liguria, Toscana and Emilia-Romagna) where the largest number of industries operate, close to key international motorway interconnections, such as T1 (Montebianco Tunnel), T2 (Gran San Bernardo Tunnel) and the T4 (Frejus Tunnel). For a brief discussion of competition between the Group and third-party toll and State-run motorways as well as with alternative modes of transportation, see "- *Competition*", below.

The table below sets forth a list of the toll motorways included in the SIAS Group Italian Network and toll motorways managed by other companies in which the Group holds an equity interest and the length of each of these motorways in operation and under construction as at the date of this Base Prospectus.

			Kilometres	
Motorway Company	**Stretch**		**In operation**	**Under construction**
SATAP	A4	Turin – Milan	130.3	—
	A21	Turin - Alessandria – Piacenza[(1)]	167.7	—
SAV	A5	Quincinetto – Aosta	59.5	—
SALT	A12	Sestri Levante – Livorno, Viareggio – Lucca, Fornola – La Spezia	154.9	—
	A15	Parma - La Spezia	101.0	81.0
ADF	A10	Ventimiglia – Savona	113.2	—
	A6	Turin – Savona	130.9	—
AT-CN	A33	Asti – Cuneo	55.0	23.0
Autovia Padana[(2)]	A21	Piacenza - Cremona - Brescia	88.6	23.0
Total SIAS Group Italian Network			**1,001.1**	**127.0**
ATIVA	A5	Turin - Ivrea – Quincinetto	51.2	—
	A4/A5	Ivrea- Santhià	23.6	—
		Sistema Tangenziale di Torino	81.0	—
SITAF	A32	Turin – Bardonecchia	81.1	—
	T4	Traforo del Fréjus	12.9	—
SITRASB	T2	Traforo del Gran San Bernardo	12.8	—
BreBeMi	A35	Brescia- Milan	62.0	—
TE		Tangenziale Esterna di Milano	32.0[(3)]	—
Total managed by non-consolidated companies in which the Group holds an equity interest			**356.6**	—
Total			**1,357.7**	**127.0**

Source: Group's internal data.

(1) Following the expiry on 30 June 2017 of the relevant Italian Motorway Concession, SATAP manages the A21 Torino-Alessandria-Piacenza motorway section in a *prorogatio* regime.

(2) Società di Progetto Autovia Padana S.p.A. will manage the A21 Piacenza - Cremona - Brescia motorway section with effect from the concession agreement effective date. For further information, see "*– Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*".

(3) On 16 May 2015, TE (the Milan East Outer Ring Road) was fully opened to traffic. The first 7 kilometres (the so called Arco TEEM) were opened to traffic in July 2014.

Italian Motorway Activities – Italian Motorway Subsidiaries

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

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

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

Pursuant to its by-laws, SATAP's term of incorporation shall last until 31 December 2070, subject to extension by resolution of the shareholders' meeting.

SATAP is the concessionaire of the MIT for the construction, management and operation of the A21 Turin-Alessandria-Piacenza motorway and for certain other works linking it to the external roadways. The above Italian Motorway Concession expired on 30 June 2017. Upon expiry of such Italian Motorway Concession, the MIT requested SATAP to continue to manage the A21 Turin-Alessandria-Piacenza motorway under the terms and conditions of the current concession agreement until the take-over of the incoming concessionaire, so as to ensure continuity in the provision of motorway services.

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

The following table sets forth the revenues of SATAP from the above Italian Motorway Concessions for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues, of which:	396.9	93.8%	375.4	93.2%
A4 Turin – Milan	227.6	53.8%	211.3	52.5%
A21 Turin Alessandria – Piacenza	169.3	40.0%	164.1	40.7%
Royalties from service areas	14.0	3.3%	14.6	3.6%
Other revenues	12.3	2.9%	13.0	3.2%
Total	**423.2**	**100.0%**	**403.0**	**100.0%**

Source: annual financial statements of SATAP prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

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

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

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

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

As of 1 November 2017, the merger by way of incorporation of Società Autocamionale della Cisa S.p.A. ("**CISA**") into SALT became effective (for further information, see "*– Recent Developments – Merger between CISA and SALT*", below). Accordingly, with effect from 1 November 2017, SALT replaced CISA in the concession for (i) the construction, management and operation of the A15 Parma-La Spezia motorway and for certain other works in order to link it to Mantova and (ii) the construction of the first 15 kilometres long section (i.e., the Parma – Terre Verdiane section) of the motorway linking Parma to the Autostrade del Brennero motorway (the "**(Former) CISA Motorway Concession**"). The (Former) CISA Motorway Concession expires on 31 December 2031.

The following table sets forth the revenues of SALT from the SALT Motorway Concession for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	183.9	98.8%	179.1	93.9%
Royalties from service areas	5.9	3.1%	6.2	3.3%
Other revenues	4.2	2.2%	5.4	2.8%
Total	**194.0**	**100.0%**	**190.7**	**100.0%**

Source: annual financial statements of SALT prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

The following table sets forth the revenues of CISA (currently SALT) from the (Former) CISA Motorway Concession for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	95.7	93.2%	94.2	93.2%
Royalties from service areas	4.5	4.4%	4.5	4.4%
Other revenues	2.5	2.4%	2.4	2.4%
Total	**102.7**	**100.0%**	**101.1**	**100.0%**

Source: annual financial statements of CISA prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

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

Autostrada dei Fiori S.p.A. ("**ADF**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 30 July 1960. Its registered office is at Via della Repubblica 46, 18100 Imperia, Italy, and it is registered with the Companies' Register of Imperia under number 00111080099, Fiscal Code and VAT Number 00111080099. ADF may be contacted by telephone on +39 0183 70 71 and by fax on +39 0183 29 56 55.

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

ADF is the concessionaire of the MIT for the construction, management and operation of the A15 Savona-Ventimiglia-French border motorway and for certain other works linking it to the external roadways (the "**ADF Motorway Concession**"). The above ADF Motorway Concession expires on 30 November 2021.

As of 1 November 2017, the merger by way of incorporation of Autostrada Torino Savona S.p.A. ("**ATS**") into ADF became effective. For further information, see "*– Recent Developments – Merger between ATS and ADF*", below. Accordingly, with effect from 1 November 2017, ADF replaced ATS in the concession for the management and operation of the approximately 130 kilometre motorway connecting Turin to Savona on the Ligurian coastline (the "**(Former) ATS Motorway Concession**"). The (Former) ATS Motorway Concession was entered into on 18 November 2009, became effective on 22 December 2010 and will expire on 31 December 2038.

The following table sets forth the revenues of ADF from the ADF Motorway Concession for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	152.9	94.0%	149.9	93.9%
Royalties from service areas	4.8	3.0%	4.5	2.8%
Other revenues	5.0	3.0%	5.3	3.3%
Total	**162.7**	**100.0%**	**159.7**	**100.0%**

Source: annual financial statements of ADF prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

The following table sets forth the revenues of ATS from the (Former) ATS Motorway Concession for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	64.6	90.7%	64.2	91.8%
Royalties from service areas	1.3	1.9%	1.3	1.9%
Other revenues	5.3	7.4%	4.4	6.3%
Total	**71.2**	**100.0%**	**69.9**	**100.0%**

Source: annual financial statements of ATS prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

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

Autostrada Asti-Cuneo S.p.A. ("**AT-CN**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 23 March 2006. Its registered office is at Via XX Settembre 98/E, 00187, Rome, Italy, and it is registered with the Companies Register of Rome under number 08904401000, Fiscal Code and VAT Number 08904401000. AT-CN may be contacted by telephone on +39 011 6650400 and by fax on +39 011 6650469.

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

AT-CN is the concessionaire of the MIT for the construction, management and operation of the Autostrada delle Langhe motorway (which includes also both the Massimini-Cuneo and the Asti Est-Marene motorway sections). The above Italian Motorway Concession expires after 23.5 years following the date on which the construction works have been completed in full (see however "*– Recent Developments – Potential cross-financing procedure*" for further information on the potential reduction of the tenor of such Italian Motorway Concession in case of successful completion of the cross-financing procedure described therein). As at the date of this Base Prospectus, 55 kilometres are open to traffic.

The following table sets forth the revenues of AT-CN from the above Italian Motorway Concessions for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	17.4	93.5%	16.7	89.8%
Royalties from service areas	0.0	0.0%	0.0	0.0%
Other revenues	1.2	6.5%	1.9	10.2%
Total	**18.7**	**100.0%**	**18.6**	**100.0%**

Source: annual financial statements of AT-CN prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

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

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

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

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

The following table sets forth the revenues of SAV with respect to the above Italian Motorway Concession for the years ended 31 December 2015 and 2016.

	Year ended 31 December			
	2016		2015	
	€ in millions	*% of total*	*€ in millions*	*% of total*
Net toll revenues	67.5	96.7%	65.8	96.7%
Royalties from service areas	0.9	1.2%	0.9	1.3%
Other revenues	1.4	2.1%	1.4	2.0%
Total	**69.8**	**100.0%**	**68.1**	**100.0%**

Source: annual financial statements of SAV prepared in accordance with applicable law and Generally Accepted Accounting Principles in Italy.

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

- ***Società di Progetto Autovia Padana S.p.A.***

Società di progetto Autovia Padana S.p.A. ("**Autovia Padana**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 2 December 2015. Its registered office is at Strada Provinciale 211 della Lomellina 3/13, 15057 Tortona (AL), and it is registered with the Companies Register of Alessandria under number 02490760069, Fiscal Code and VAT Number 02490760069. Autovia Padana may be contacted by telephone on +39 0131 8791 and by fax on +39 0131 879170.

Pursuant to its by-laws, Autovia Padana's term of incorporation shall last until 31 December 2070, subject to extension by resolution of its shareholders.

Autovia Padana was incorporated in the context of the tender process for the award of the concession for the construction, management and maintenance activities in relation to the A21 Piacenza-Cremona-Brescia motorway section and the extension to Fiorenzuola d'Arda (PC) and with effect from 2 December 2015 replaced the temporary consortium 70 per cent. held by SATAP and 30 per cent. held by ITINERA that participated in and won the tender process.

The takeover process in the concession entails (i) the execution of the relevant concession agreement; (ii) the approval of such agreement by a Ministerial Decree to be issued by the MIT in agreement with the MEF; and (iii) the registration by the Italian State Auditors' Department (*Corte dei Conti*) of the Ministerial Decree (for further information on the approval process, see "*Regulatory – Regulatory Framework – Single Concession(s)*", below).

On 31 May 2017, Autovia Padana and the MIT entered into the concession agreement for the construction, management and maintenance activities relating to the A21 Piacenza-Cremona-Brescia motorway section and the extension to Fiorenzuola d'Arda (PC), which was approved by Interministerial Decree n. 453 dated 5 October 2017 (for further information on the main provisions of the Single Concession terms, see "*Regulatory – Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries*", below).

The concession for the management of the A21 Piacenza - Cremona - Brescia motorway is expected to expire after 25 years from the relevant concession agreement effective date and it is expected that it will require investments amounting to approximately Euro 431 million (of which approximately Euro 169 million for the Lot 1 Work and approximately Euro 262 million for the Lot 2 Work (each as defined in "*Regulatory*" below)) and extraordinary maintenance works amounting to approximately Euro 60 million and the payment of (i) approximately Euro 260 million to the outgoing concessionaire as compensation value (*valore di subentro*) and (ii) approximately Euro 41 million to the MIT as concession fee. In December 2015, in order to finance a portion of the compensation value (*valore di subentro*) and of the investments relating to the Lot 1 Work (as defined in "*Regulatory*" below) to be realised after the entry into force of the concession agreement, SIAS entered into a Euro 270 million loan with a pool of banks. In addition, in December 2015, in order to fund the VAT cash out arising from its investment, Autovia Padana entered into a loan agreement for a total amount of

up to Euro 66,000,000 (for further information, see "- *Financial structure - Financing – Financing agreements*", below).

As at the date of this Base Prospectus, the Interministerial Decree approving the concession agreement has not yet been registered with the Italian State Auditors' Department (*Corte dei Conti*). Accordingly, the motorway linking Piacenza and Brescia is still managed by ACP under an "extension" regime (for further information, see "*– Business of the Group – Motorway Activities – Italian Motorway Activities – Other equity interests*", below).

As at the date of this Base Prospectus, SATAP and ITINERA hold, respectively, 70 per cent. and 30 per cent. of Autovia Padana share capital. However, on 6 June 2017, SIAS, SATAP and ITINERA have signed with Ardian – an independent private investment company – an agreement pursuant to which Ardian is expected to acquire a stake in the share capital of Autovia Padana (the "**Autovia Padana Agreement**"). In particular, under the Autovia Padana Agreement, Ardian, through its fourth generation Infrastructure Fund, will acquire a 49 per cent. equity interest in Autovia Padana for approximately Euro 80 million, with both SATAP and ITINERA reducing their stakes in Autovia Padana share capital to 50.9 per cent. and 0.1 per cent., respectively.

Ardian's investment remains subject, *inter alia*, to authorisation of the transaction by the MIT (if necessary).

Under the Autovia Padana Agreement, the SIAS Group will retain control over Autovia Padana and continue to consolidate its holding with the line-by-line consolidation method. ITINERA is expected to continue to act as an EPC contractor for the investment and maintenance programme envisaged in the relevant concession agreement.

Italian Motorway Activities – Other equity interests

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

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

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

ATIVA is the concessionaire of the MIT for the construction, management and operation of the A5 Turin-Ivrea-Valle d'Aosta motorway and of the A4/A5 Ivrea-Santhià motorway (which are in aggregate 74.8 kilometres long) as well as the 56.7 kilometres Sistema Autostradale Tangenziale Torinese motorway and of the 24.3 kilometres long motorway between Turin and Pinerolo. The above concession expired on 31 August 2016. With a notice dated 1 August 2016, the MIT requested ATIVA to continue to manage the motorway during the period between the expiry of the concession and the date on which the new concessionaire will take over the concession. Accordingly, from 31 August 2016, ATIVA continues to be involved in the ongoing management of the A5 Turin Ivrea Valle d'Aosta and of the A4/A5 Ivrea Santhià motorways until the incoming concessionaire has been selected.

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

Società Italiana per il Traforo Autostradale del Fréjus S.p.A. ("**SITAF**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Fr. S. Giuliano, 2, 10059 Susa (Turin).

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

As at the date of this Base Prospectus, the Issuer directly owns a number of shares equal to approximately 36.5 per cent. of the share capital of SITAF. SITAF's main shareholder is ANAS, which, following the

acquisition of shares held by Turin Province and Municipality in December 2014, directly owns a number of shares equal to approximately 51.1 per cent. of the share capital of SITAF.

- ***Società Italiana Traforo del Gran San Bernardo S.p.A.***

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

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

The Issuer owns indirectly a number of shares equal to 36.5 per cent. of the share capital of SITRASB. SITRASB's reference shareholder is Regione Autonoma Valle d'Aosta, which owns 63.5 per cent. of its share capital.

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

Milano Serravalle Milano Tangenziali S.p.A. ("**Milano Serravalle**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Via del Bosco Rinnovato 4 A, 20090, Assago (Milan).

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

The Issuer owns, directly or indirectly, a number of shares equal to approximately 13.55 per cent. of the share capital of Milano Serravalle.

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

Autostrade Lombarde S.p.A. ("**AL**") is a joint stock company (*società per azioni*) incorporated under Italian law, having its registered office at Via Somalia 2/4, 25126, Brescia. AL is a holding company set up to promote the construction of a motorway link between Brescia and Milan.

On 25 November 2013, SIAS, SATAP and Intesa Sanpaolo S.p.A. ("**ISP**") entered into an investment agreement ("**2013 Investment Agreement**") and a five-year term shareholders' agreement (the "**2013 Shareholders' Agreement**") for the recapitalisation and re-organisation of the corporate governance of Tangenziali Esterne di Milano S.p.A. ("**TEM**"), Tangenziale Esterna S.p.A. ("**TE**"), Autostrade Lombarde S.p.A. ("**AL**") and Società di Progetto Autostrada Diretta Brescia Milano S.p.A. ("**BreBeMi**").

In light of the provisions of the 2013 Shareholders' Agreement, AL is subject to the joint control of the SIAS Group, which owns approximately 13.34 per cent. of its share capital, and ISP, holding approximately 42.45 per cent. of AL share capital. In particular, the SIAS Group is entitled to appoint two directors of AL and the Chief Executive Officer, whilst ISP is entitled to appoint the Chairman of the board of directors.

AL holds 78.98 per cent. of the share capital of BreBeMi and a 4.7 per cent. interest in TEM.

On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi. For further information, see "*– Recent Developments – Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*", below.

- ***Tangenziali Esterne di Milano S.p.A.***

TEM is a joint stock company (*società per azioni*) incorporated under Italian law, having its registered office at Via Fabio Filzi, 25, 20124, Milan.

TEM is a holding company established in 2002 to promote the construction, management and operation of the external eastern ring road of Milan (*Tangenziale Est Esterna di Milano*) and, more generally, of all the external ring roads of the city.

On the basis of the 2013 Shareholders' Agreement, TEM is subject to the joint control of the SIAS Group and ISP, which – following the completion of the share capital increase resolved in 2013 – in the aggregate hold approximately 62.2 per cent. of TEM share capital, of which 39.99 per cent. is owned by the SIAS Group, approximately 17.53 per cent. by ISP and 4.7 per cent. by AL, to which a further 1.56 per cent. equity interest held by ITINERA shall be added.

Such 2013 Shareholders' Agreement provides that the SIAS Group be entitled to appoint 50 per cent. of the directors of TEM and the Chief Executive Officer and ISP be entitled to appoint the Chairman of the board of directors and envisages a possible merger between AL and TEM.

As at the date of this Base Prospectus, TEM holds a 47.66 per cent. equity interest in TE.

On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi. For further information, see "*– Recent Developments – Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*", below.

- ***Tangenziale Esterna S.p.A.***

TE is a joint stock company (*società per azioni*) incorporated under Italian law, having its registered office at Via Fabio Filzi, 25, 20124, Milan.

TE is the company holding the concession for the design, construction and management of the A58 external eastern ring road of Milan. The ring road consists of a 32 km stretch connecting Agrate Brianza (interconnection with the A4 motorway) and Melegnano (interconnection with A1 motorway) which is also linked to the A35 Brescia-Bergamo-Milano motorway. The first seven kilometres of the so called "Arco TEEM" connecting the A35 to the Milan area were completed in July 2014 and the remaining twenty-five kilometres were completed at the end of April 2015 and opened to traffic on 16 May 2015. The TE concession is due to expire 50 years after completion of the construction works (in May 2065).

Pursuant to the 2013 Shareholders' Agreement, TE is subject to the joint control of the SIAS Group and ISP, holding in the aggregate 61.9 per cent. of its share capital (of which 47.66 per cent. is held by TEM, 2.58 per cent. by ISP 3.18 per cent. by AL, 8.47 per cent. by the SIAS Group, to which a further 10.23 per cent. equity interest held by ITINERA shall be added). On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi. For further information, see "*– Recent Developments – Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*", below.

In June 2013, TE was awarded a public grant of Euro 330 million pursuant to Law Decree No. 69/2013 (the so-called "*Decreto del Fare*") to be disbursed subject to certain conditions being met, including without limitation, the availability to TE of a medium/long–term senior loan of approximately Euro 1 billion. As at 30 June 2017, approximately Euro 301.5 million had been disbursed in the following tranches: (i) a first tranche of approximately Euro 66 million on 6 May 2014; (ii) a second tranche of approximately Euro 67 million on 18 December 2014; (iii) a third tranche of approximately Euro 107 million on 5 June 2015 and (iv) a fourth tranche of approximately Euro 60.3 million on 3 October 2016.

On 11 November 2013, Concessioni Autostradali Lombarde S.p.A. ("**CAL**") and TE entered into a second additional deed to the single concession (i.e., the agreement documenting the terms and conditions of the concession) to which an updated version of the financial plan, prepared, *inter alia*, to take into account the above-mentioned Euro 330 million public grant, was attached. Such additional deed has been approved by the MIT.

- ***Bre.Be.Mi. S.p.A.***

BreBeMi is a project company incorporated as a joint stock company (*società per azioni*) under Italian law and has its registered office at Via Somalia 2/4, 25126, Brescia.

BreBeMi holds the concession for the design, construction and management of the motorway section, which is approximately 62 km long, linking Brescia directly to Milan, from the south ring road of Brescia to the new eastern ring road of Milan. The works on this stretch were completed in July 2014, when such motorway was opened to traffic, and the concession is set to expire 19.5 years after the end of the construction works (June

2033). On 24 July 2014, the new motorway link between Brescia and Milan (A35 – BreBeMi) was opened to traffic.

On 18 February 2015, BreBeMi submitted a proposal for the rebalancing of its financial plan. The proposal is mainly due to (a) an increase in land expropriation costs and (b) lower-than-expected traffic volumes as a result of, *inter alia*, the failure to complete the infrastructure links envisaged in the original project, in particular the Ospitaletto ‑ Montichiari junction, which is the subject of another concession. The rebalancing proposal provides for, *inter alia*, (i) an extension of the term of the concession by 5.5 years, (ii) the direct interconnection of the BreBeMi motorway with the existing A4 motorway, (iii) a confirmation of the termination value of the concession (amounting to approximately Euro 1.2 billion) and (iv) a public grant of Euro 320 million.

Following the issue of the *Nucleo di consulenza per l'Attuazione delle linee guida sulla regolazione dei Servizi di pubblica utilità* opinion, with resolution No. 60 of 6 August 2015, the CIPE approved the revised financial plan and the related explanatory report, including the following rebalancing measures:

– the extension of the duration of the concession by a further 6 years; accordingly such concession is expected to expire on 22 January 2040 rather than December 2033; and

– the granting of a public contribution for plants and equipment of Euro 320 million to be disbursed between 2015 and 2029 and covered (a) by Article 1, paragraph 299 of Law 190 of 23 December 2014 (*Legge di Stabilità* 2015), for an amount of Euro 260 million, to be disbursed in yearly instalments of Euro 20 million from 2017 to 2031; and (b) by Lombardy Regional Decree No. 12781 of 30 December 2014, for a total amount of Euro 60 million, to be disbursed in the 2015-2017 period.

In addition, the rebalancing of the financial plan includes the construction of the A35 ‑ A4 interconnection, as an amendment to the final project approved by CIPE, in order to ensure connection to the east with the operating motorway network.

BreBeMi prepared the amendment to the final project relating to the interconnection between the A35 and the A4 which was approved by the granting entity, CAL S.p.A. ("**CAL**"), on 4 June 2015 for the purposes of the subsequent approval process pursuant to Article 167, paragraph 5 of Legislative Decree No. 163/2006.

On 9 October 2015, the Services Conference took place and the MIT approved the project. CAL sent the inquiry file for the A35 - A4 interconnection to the MIT and the Interministerial Economic Planning Committee. The project for the A35 - A4 interconnection was then approved by CIPE with Resolution No. 19 of 1 May 2016.

On 13 November 2017, the A35-A4 interconnection was completed and opened to traffic.

On 20 September 2016, the extraordinary shareholders' meeting of BreBeMi resolved upon a share capital decrease from Euro 332.1 million to Euro 175 million due to losses exceeding 1/3 of the share capital, pursuant to Article 2446 of the Italian Civil Code.

On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi. For further information, see "*– Recent Developments – Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*", below.

- ***Autostrade Centro Padane S.p.A.***

Autostrade Centro Padane S.p.A. ("**ACP**") is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Località San Felice, 1, 26100 Cremona. ACP is currently the concessionaire under an "extension" regime of the motorway linking Piacenza and Brescia, which is the continuation of the Turin – Piacenza stretch managed by SATAP. The concession expired on 30 September 2011.

The Issuer indirectly owns approximately 9.5 per cent. of the share capital of ACP.

Following a tender procedure, the concession for the construction, management and maintenance activities in relation to the A21 Piacenza ‑ Cremona ‑ Brescia motorway section and the extension to Fiorenzuola d'Arda (PC) was awarded to a temporary consortium, 70 per cent. held by SATAP and 30 per cent. held by

ITINERA, which was replaced by Società di Progetto Autovia Padana S.p.A. For further information, see "– *Business of the Group – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*", above.

Other information on Italian Motorway Activities

Traffic

The table below sets forth traffic volumes (measured by the number of kilometres travelled) of the SIAS Group Italian Network (which, for this purpose, does not include ATS and ATIVA traffic volumes) for both light vehicles and heavy vehicles, and the percentage variation from year to year for each of the foregoing categories, for the last ten years up to 31 December 2016 and also sets forth the annual percentage increase/decrease in real Italian gross domestic product ("**GDP**") during this period.

	As at 31 December						
	Light Vehicles	**Annual % Increase / (Decrease)**	**Heavy Vehicles**	**Annual % Increase / (Decrease)**	**Total Vehicles(*)**	**Annual % Increase / (Decrease) of traffic**	**Annual % change of GDP in Italy**
	(in % and in millions of kilometres)						
2007	6,803.4	2.30%	2,362.8	1.74%	9,166.3	2.16%	1.5%
2008	6,794.3	(0.13%)	2,321.1	(1.77%)	9,115.5	(0.55%)	(1.3%)
2009	6,915.3	1.78%	2,131.8	(8.16%)	9,047.1	(0.75%)	(5.2%)
2010	6,921.8	0.09%	2,220.6	4.16%	9,142.4	1.05%	1.3%
2011	6,824.5	(1.41%)	2,211.8	(0.23%)	9,036.3	(1.16%)	0.4%
2012	6,309.7	(7.54%)	2,054.9	(7.08%)	8,364.5	(7.43%)	(2.4%)
2013	6,157.3	(2.42%)	2,002.9	(2.53%)	8,160.2	(2.44%)	(1.9%)
2014	6,209.5	0.85%	2,013.1	0.51%	8,222.6	0.76%	(0.4%)
2015	6,403.0	3.12%	2,078.0	3.22%	8,481.0	3.14%	0.7%
2016	6,511.0	1.69%	2,133.0	2.65%	8,644.0	1.92%	(0.1%)

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

The composition of the traffic volumes in the ten-year period 2007-2016 is represented by "light vehicles" for approximately 75.1 per cent. of the number of kilometres travelled and by "heavy vehicles" for the remaining approximately 24.9 per cent.

The table below sets forth the traffic performance for each single quarter of 2016 and the comparison with the same period of the previous year.

	2016*			2015			Change		
	Light	**Heavy**	**Total**	**Light**	**Heavy**	**Total**	**Light**	**Heavy**	**Total**
	(in million of kilometres and in percentage)								
1st Quarter	1,527	532	2,059	1,423	516	1,939	7.33%	3.07%	6.19%
2nd Quarter	1,818	606	2,424	1,869	587	2,456	(2.72%)	3.41%	(1.26%)
3rd Quarter	2,277	584	2,861	2,236	573	2,809	1.75%	1.79%	1.76%
4th Quarter	1,642	571	2,213	1,622	556	2,178	1.31%	2.45%	1.60%
Total	**7,264**	**2,293**	**9,557**	**7,150**	**2,233**	**9,383**	**1.59%**	**2.67%**	**1.85%**

Source: Group's internal data.

* *Leap year.*

During the first nine months of 2017, the traffic on the SIAS Group Italian Network registered an increase of 2.26 per cent. compared to the same period in 2016 (which was a leap year), with light vehicles up 1.88 per cent. and heavy vehicles up 3.50 per cent. Traffic volumes in the third quarter of 2017 registered an increase of 1.19 per cent. compared to the same period in 2016.

The table below sets forth traffic volumes on the SIAS Group Italian Network for the years ended 31 December 2015 and 31 December 2016.

Company	Motorway	Year ended 31 December					
		2016*		2015		Total	
		Light Vehicles	Heavy Vehicles	Light Vehicles	Heavy Vehicles	2016	2015
		(in millions of kilometres)					
SATAP	A4 Torino-Milano	1,656	548	1,653	535	2,205	2,188
SATAP	A21 Torino-Alessandria-Piacenza	1,359	648	1,327	626	2,008	1,953
SAV	A5 Quincinetto-Aosta, Raccordo A5-SS27 del Gran San Bernardo	276	74	268	73	350	342
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia	1,524	363	1,477	357	1,887	1,833
ADF	A10 Savona-Ventimiglia-Confine Francese	957	282	956	270	1,239	1,226
CISA[(1)]	A15 Parma-La Spezia	631	185	618	185	816	804
AT-CN	A33 Asti-Cuneo	108	33	104	32	141	136
ATS[(2)]	A6 Torino-Savona	753	159	747	155	911	902
	Total SIAS Group Italian Network	**7,264**	**2,293**	**7,150**	**2,233**	**9,557**	**9,383**

Source: Audited Annual Financial Statements of the Issuer as at 31 December 2016.

** Leap year.*

(1) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(2) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

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

The table below sets forth the annual average daily traffic recorded in terms of the number of vehicles on the motorways in the SIAS Group Italian Network for the years ended 31 December 2015 and 31 December 2016.

Company	Motorway	Average Daily Traffic Year ended 31 December			
		2016		2015	
		Light Vehicles	Heavy Vehicles	Light Vehicles	Heavy Vehicles
		(in numbers of vehicles)			
SATAP	A4 Torino-Milano	34,724	11,491	34,756	11,249
SATAP	A21 Torino-Alessandria-Piacenza	22,141	10,557	21,679	10,227
SAV	A5 Quincinetto-Aosta, Raccordo A5-SS27 del Gran San Bernardo	12,674	3,398	12,340	3,361
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia	26,881	6,403	26,124	6,314
ADF	A10 Savona-Ventimiglia-Confine Francese	23,099	6,806	23,138	6,535
CISA[(1)]	A15 Parma-La Spezia	17,070	5,005	16,764	5,018
AT-CN	A33 Asti-Cuneo	5,365	1,639	5,181	1,594
ATS[(2)]	A6 Torino-Savona	15,717	3,319	15,635	3,244

(1) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(2) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

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

Tariffs

Historically, net toll revenues have constituted the principal source of the Group's revenues, representing approximately 83.6 per cent. and 80.5 per cent of the Group's revenues (excluding revenues from motorway sector – planning and construction activities) for the years ended 31 December 2016 and 31 December 2015, respectively. Toll revenues are a function of traffic volumes and tariffs charged. In general, the toll rates applied to the SIAS Group Italian Network are proportionally linked to the distance travelled, the type of vehicle used and the characteristics of the infrastructure (for example, tolls on mountain motorways, which have greater construction and maintenance costs, are higher than those on level ground motorways). A vehicle classification system is applied to most of the motorways in the SIAS Group Italian Network for the purpose of determining toll rates.

The following table sets forth net toll revenue broken down by Italian Motorway Subsidiary for the years ended 31 December 2015 and 31 December 2016.

		Year ended 31 December	
Company	**Motorway**	**2016**	**2015**
		(€ in millions)	
SATAP	A4 Turin Milan	227.6	211.3
SATAP	A21 Turin Alessandria Piacenza	169.3	164.1
SAV	A5 Quincinetto Aosta, Racc. A5 SS27 del G. S. Bernardo	67.5	65.9
SALT	A12 Livorno Sestri Levante, A11 Viareggio Lucca, A15 Fornarola La Spezia	183.9	179.1
ADF	A10 Savona Ventimiglia – Confine Francese	152.9	149.9
CISA[(1)]	A15 Parma La Spezia	95.7	94.2
AT CN	A33 Asti Cuneo	17.4	16.7
ATS[(2)]	A6 Torino Savona	64.6	64.2
	Total	**978.9**	**945.4**

(1) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(2) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

Toll collections are subject to a surcharge that is remitted to the MIT and the Ministry of Economy and Finance (the "**Surcharge**"). The Surcharge was set in the 2008 "budget law" with a charge per kilometre for cars of Euro 0.0020 in 2007, Euro 0.0025 in 2008, Euro 0.0030 in 2009 and in the first semester of 2010, Euro 0.0040 in the second semester of 2010 and Euro 0.0060 in 2011, and a charge per kilometre for trucks of Euro 0.0060 in 2007, Euro 0.0075 in 2008, Euro 0.0090 in 2009 and in the first semester of 2010, Euro 0.012 in the second semester of 2010 and Euro 0.018 in 2011. At the date of this Base Prospectus, all tolls charged on the SIAS Group Italian Network are additionally subject to 22 per cent. value-added-tax ("**VAT**"). For further information, see "*Regulatory – Concession Fees and Surcharges*".

The following table sets forth tariffs (excluding VAT and Surcharges) charged by each Italian Motorway Subsidiary indicated below in the relevant vehicle classes from 1 January 2017.

Tariff by Vehicle Class charged from 1/1/2017						
Company	**Motorway**	**Light Vehicles**		**Heavy Vehicles**		
		A	**B**	**3**	**4**	**5**
				(€/Kilometres)		
SATAP	A4 Turin – Novara Est	0.01250	0.09360	0.10760	0.17784	0.21524
	A4 Novara Est – Milan	0.09377	0.09618	0.11059	0.18275	0.22116
	A21 Turin – Alessandria – Piacenza (Level Ground)	0.06427	0.06595	0.07581	0.12531	0.15168
	A21 Turin – Alessandria – Piacenza (Mountain)	0.07714	0.07915	0.09099	0.15034	0.18202
SAV	A5 Quincinetto — Aosta, Raccordo A5 SS27 del Gran San Bernardo	0.16469	0.16889	0.21951	0.35464	0.41379
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Level Ground)	0.07216	0.07399	0.09620	0.15538	0.18128
	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Mountain)	0.10822	0.11100	0.14428	0.23307	0.27191
ADF	A10 Savona-Ventimiglia-Confine Francese	0.09785	0.11539	0.18059	0.24082	0.28094
CISA[(1)]	A15 Parma-La Spezia	0.09726	0.09978	0.12968	0.20947	0.24440
AT CN	A33 Asti-Cuneo	0.09694	0.12222	0.19130	0.25505	0.29760
ATS[(2)]	Turin – Savona	0.06515	0.06682	0.08687	0.14030	0.16374

(1) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(2) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

The following table shows the increase in tariffs applied by each Italian Motorway Subsidiary as of 1 January 2017, as of 1 January 2016 and as of 1 January 2015, respectively, in each case in respect of the latest applied tariffs.

Company	**Italian Motorway Subsidiary/Motorway section**	**Tariff increase from 01/01/2017**	**Tariff increase from 01/01/2016**	**Tariff increase from 01/01/2015**
SATAP	A4 Torino-Novara Est	4.60%[(1)]	6.50%	1.50%[(7)]
SATAP	A4 Novara Est-Milano	4.60%[(1)]	6.50%	1.50%[(7)]
SATAP	A21 Torino-Alessandria-Piacenza (Level Ground)	0.85%	0.00%[(6)]	1.50%[(7)]
SATAP	A21 Torino-Alessandria-Piacenza (Mountain)	0.85%	0.00%[(6)]	1.50%[(7)]
SAV	A5 Quincinetto-Aosta	0.00%[(2)]	0.00%[(6)]	1.50%[(7)]
SAV	Raccordo A5-SS27 del Gran San Bernardo	0.00%[(2)]	0.00%[(6)]	1.50%[(7)]
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Level Ground)	0.00%[(2)]	0.00%[(6)]	1.50%[(7)]
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia (Mountain)	0.00%[(2)]	0.00%[(6)]	1.50%[(7)]
ADF	A10 Savona-Ventimiglia-French border	0.00%[(2)]	0.00%[(6)]	1.50%[(7)]
CISA[(4)]	A15 Parma-La Spezia	0.24%[(2)]	0.00%[(6)]	1.50%[(7)]
AT-CN	A33 Asti-Cuneo	-[(3)]	-[(3)]	-[(3)]
ATS[(5)]	A6 Torino – Savona	2.46%[(2)]	0.00%[(6)]	1.50%[(7)]

Source: Italian Interministerial Decrees (Decreti Interministeriali).

(1) On 30 December 2016, the Interministerial Decree issued by the MIT in agreement with the MEF, approved a 4.60% increase in respect of the A4 stretch managed by SATAP. For further information see, *inter alia*, "*Regulatory – Mechanism and procedure for the annual adjustment of the Tariffs*" below.

(2) The relevant Interministerial Decrees issued by the MIT in agreement with the MEF on 30 December 2016 provided that, *inter alia*, (i) pending the update of the FP, the toll increase for the relevant Italian Motorway Subsidiary for 2017 was expected to be determined based on the currently applicable FP, without prejudice to any recovery; (ii) any positive or negative toll recovery, including those pertaining to previous years, should be determined after the update of the relevant FP.

(3) AT-CN is not entitled to a tariff increase.

(4) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(5) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

(6) The tariff increases in respect of such Italian Motorway Subsidiaries were provisionally suspended considering that when such decision was taken the related financial plans were still in the inquiry phase before the competent Ministries.

(7) On 30 December 2014, SIAS's Motorway Subsidiaries (other than AT-CN) entered into an agreement with the MIT for the application of a tariff increase consistent with the 2015 budget inflation (i.e. 1.50%).

The following table shows the weighted average tariff increases for 2015, 2016 and 2017:

	2015		2016		2017	
%	**Requested**	**Actual**	**Requested**	**Actual**	**Requested**	**Actual**
Weighted average tariffs increases	4.80%	1.50%	5.38%	1.48%	6.54%	1.42%

Toll Collection

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

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

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

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

The table below sets forth the number and proportion (expressed as percentages) of transits on the SIAS Group Italian Network categorised by payment method for the years ended 31 December 2015 and 31 December 2016.

	Year ended 31 December			
	2016		2015	
	(in millions, except percentage)			
Motorway				
Automated non-cash and cash payment methods, of which:				
Telepass	122.4	61.6%	120.4	61.3%
ViaCard	8.1	4.1%	8.6	4.4%
Credit Card	21.1	10.6%	20.0	10.2%
Total automated non cash and cash payment method	151.6	76.3%	149.0	75.9%
Cash manually	46.2	23.3%	46.6	23.7%
Other	0.8	0.4%	0.8	0.4%
Total	**198.6**	**100.0%**	**196.4**	**100.0%**

Motorway Police

The Group's motorway management responsibilities include user assistance which it provides through various agreements with the Italian Ministry of Internal Affairs, whereby the Italian national motorway police monitor the SIAS Group Italian Network 24 hours a day and organise emergency assistance in response to any

disruption to traffic flows. These agreements also provide that the relevant Italian Motorway Subsidiary is responsible for paying the expenses of the police incurred in connection with the provision of traffic assistance services and providing infrastructure, such as police barracks near the SIAS Group Italian Network, and police vehicles. A force of auxiliary traffic personnel also assists the police in monitoring the SIAS Group Italian Network, including monitoring traffic, preventing traffic congestion, managing accident scenes where no injuries have occurred and generally supporting motorway police in their activities.

Traffic Assistance

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

Motorway Capital Expenditure

Capex incurred

The Group's capital expenditures primarily relate to its Italian motorway activities, specifically costs for upgrading the SIAS Group Italian Network. The following table provides a breakdown of such capital expenditure for each of the Italian Motorway Subsidiaries for the years ended 31 December 2015 and 31 December 2016.

	Year ended 31 December	
	2016	**2015**
	(€ in millions)	
Italian Motorway Concession Holder		
SATAP	100.2	114.7
CISA[(1)]	26.2	14.1
AT CN	7.0	17.4
ADF[(2)]	7.2	7.1
SALT[(1)]	19.6	24.8
SAV	2.2	1.8
ATS[(2)]	12.8	28.5
Total	**175.2**	**208.4**

(1) As of 1 November 2017, the SALT/CISA Merger became effective. For further information, see "– *Recent Developments – Merger between CISA and SALT*".

(2) As of 1 November 2017, the ADF/ATS Merger became effective. For further information, see "– *Recent Developments – Merger between ATS and ADF*".

Expected Capex

According to the financial plans of each Italian Motorway Subsidiary, the expected capex for the period from October 2017 to December 2022 amounts to approximately Euro 1.3 billion in aggregate including, *inter alia*, capex expected to be incurred with respect to the A21 Piacenza-Cremona-Brescia motorway section (see "– *Motorway Activities – Italian Motorway Activities – Other equity interest*") and excluding capex relating to the completion of AT-CN (currently expected to be approximately Euro 350 million, subject to the positive outcome of the cross-financing procedure (for further information, see "– *Recent Developments – Potential cross-financing procedure*" below)).

	(€ in millions)
Expected capex Oct 2017/ Dec 2022	
SATAP A4	69.5
SATAP A21	28.7
SALT	147.0
CISA	428.8
ADF	55.0
ATS	64.1
SAV	44.8
Autovia Padana	474.9
Total	**1,312.8**

Maintenance Costs

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

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

The Group's maintenance expenditure for the year ended 31 December 2016 was in aggregate equal to approximately Euro 156.0 million, as compared to Euro 159.6 million for the year ended 31 December 2015.

International Motorway Activities

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

Motorway activities in Brazil

As at the date of this Base Prospectus, the SIAS Group operates in one of the economically stronger areas of Brazil and in the middle of the trade corridor between the South and South-East of the country through the jointly controlled company Primav Infraestrutura S.A., a company that controls the listed sub-holding company EcoRodovias Infraestrutura e Logística. S.A.

The investment agreement with CR Almeida S.A. Engenharia e Costruçoes

On 18 December 2015, SIAS and ASTM, on one side, and CR Almeida S.A. Engenharia e Costruçoes ("**CR Almeida**") on the other side, entered into an agreement for the acquisition of joint control, together with Primav Costrucoes e Comercio S.A. ("**Primav**") – a company entirely owned by CR Almeida – of the Brazilian law incorporated SPV Primav Infraestrutura S.A. ("**Primav Infraestrutura**") in which, with effect from 4 May 2016, after obtaining the permission of the Government Authorities and the consent of Primav Infraestrutura's lending banks, the following assets and liabilities were contributed: (i) 64 per cent. of the

share capital of Ecorodovias Infraestrutura e Logistica S.A.; (ii) 55 per cent. of the share capital of Concessionaria Monotrilho Linha 18 – Bronze S.A. ("**VEM ABC**"); and (iii) a debt of approximately BRL 2,571 million as at 31 December 2015, in addition to interest thereon accruing from 1 January 2016 to 4 May 2016, the closing date (respectively, the "**Transaction**").

On 13 January 2016, ASTM and SIAS entered into an investment agreement and a shareholders' agreement to regulate their respective investments in Primav Infraestrutura and their mutual relations in respect of the Transaction, providing that – *inter alia* – the investment should be made through IGLI S.p.A., a special purpose vehicle incorporated under Italian law, at that time 100 per cent. owned by ASTM ("**IGLI**").

In February 2016, in accordance with the agreement reached with ASTM, SIAS subscribed a reserved share capital increase of IGLI for approximately Euro 182.4 million and acquired from ASTM 14,852,000 shares of IGLI for a value of approximately Euro 25.8 million. As a result of such transactions, SIAS holds 40 per cent. of the share capital of IGLI and ASTM holds the remaining 60 per cent.

As part of the Transaction, IGLI subscribed for a reserved capital increase of Primav Infraestrutura, for approximately BRL 2,104 million (approximately Euro 476 million on the basis of a 4.4189 rate of exchange). Under additional agreements between the parties the investment to be made by IGLI in connection with the capital increase, originally set at BRL 2,224 million (approximately Euro 503 million), was reduced by BRL 120 million (approximately Euro 27 million on the basis of a 4.4189 rate of exchange) in exchange for a loan of the same amount granted by IGLI to Primav, bearing interest at an annual rate equal to the Brazilian interbank deposit rate and to be reimbursed as of 2018 in five annual instalments (the "**IGLI Loan**"). In order to cover the exchange risk connected with the Transaction, IGLI entered into derivative agreements for a notional amount of BRL 2.233,5 at a weighted average exchange rate equal to BRL 4.4189.

Following completion of Primav Infraestrutura's capital increase, the share capital of Primav Infraestrutura was divided into ordinary shares, representing 61.8 per cent. of the share capital, and preferred shares, without voting rights, representing 38.2 per cent. of the share capital, split as follows:

(i) IGLI held 50 per cent. of Primav Infraestrutura's ordinary shares and 86.91 per cent. of Primav Infraestrutura's preferred shares for an aggregate interest of 64.1 per cent. (corresponding to approximately 41 per cent. of the share capital of Ecorodovias Infraestrutura e Logistica S.A., on a look-through basis); and

(ii) CR Almeida (through Primav) held 50 per cent. of Primav Infraestrutura's ordinary shares and 13.09 per cent. of Primav Infraestrutura's preferred shares (which have been granted as security in order to secure the payment obligations arising under the IGLI Loan) for an aggregate holding of 35.9 per cent.

The shareholders' agreement with CR Almeida

SIAS, ASTM and CR Almeida entered into a shareholders' agreement governing the joint control of NewCo as well as the equity investments held by Primav Infraestrutura in Ecorodovias Infraestrutura e Logistica S.A. and VEM ABC (the "**Primav Infraestrutura Shareholders' Agreement**"). Pursuant to the Primav Infraestrutura Shareholders' Agreement, SIAS and ASTM, on one side, and CR Almeida, on the other side, have the right to appoint an equal number of directors in all of the above companies.

The Primav Infraestrutura Shareholders' Agreement also provided (i) for a lock-up period of two years (starting from the closing date) in respect of the shares of Primav Infraestrutura; (ii) for a pre-emption right and a co-sale right in the event of disposal by the shareholders of the ordinary shares of Primav Infraestrutura; and (iii) that SIAS and ASTM will be entitled to dispose of the preferred shares.

The term of the Primav Infraestrutura Shareholders' Agreement is ten years and, if it is not renewed upon expiration, the shares of Ecorodovias Infraestrutura e Logistica S.A. and VEM will be assigned in proportion to the financial interest held by each shareholder in NewCo.

Further purchases of Primav Infraestrutura shares in 2017

On 25 April 2017, IGLI and Primav signed an agreement for the early repayment of principal and interest accrued until 21 February 2017 under the IGLI Loan against the transfer to IGLI of 11,651,919 Primav Infraestrutura preference shares.

On the same date, IGLI entered into an agreement with Primav for the purchase of further 5,062,635 Primav Infraestrutura preference shares for approximately BRL 57 million (equal to approximately Euro 16.6 million, on the basis of a 3.4329 rate of exchange as at 25 April 2017).

As a result of such transactions, as at the date of this Base Prospectus, IGLI holds 100 per cent. of Primav Infraestrutura preference shares, which, together with the 50 per cent. of Primav Infraestrutura's ordinary shares already held, results in IGLI holding 69.1 per cent. of Primav Infraestrutura's share capital. Since there were no changes to the Primav Infraestrutura Shareholders' Agreement, ASTM/SIAS continue to hold the joint control of Primav Infraestrutura.

Further purchases of Ecorodovias shares in 2017

On 29 March 2017, the Board of Directors of IGLI approved the purchase on the stock exchange of a number of Ecorodovias shares representing up to 5 per cent. of its share capital in order to increase the direct and indirect shareholding in Ecorodovias to approximately 49.2 per cent. of the share capital, for an overall outlay estimated between Euro 70 million and Euro 100 million.

As at the date of this Base Prospectus, IGLI has acquired a total of 14,025,000 Ecorodovias shares, equal to 2.51 per cent. of its share capital, for a total outlay of approximately Euro 37 million (equal to approximately BRL 132.1 million), which are not syndicated to the Primav Infraestrutura Shareholders' Agreement.

As a result of such purchase of Ecorodovias shares, together with the acquisition of Primav Infraestrutura's preference shares (for further information, see "*– Further purchases of Primav Infraestrutura in 2017*", above), IGLI holds, directly and indirectly, on a look-through basis 46.73 per cent. of Ecorodovias share capital.

- ***Ecorodovias Infraestrutura e Logistica S.A.***

Ecorodovias Infraestrutura e Logistica S.A. ("**Ecorodovias**") is a holding company listed on the *Novo Mercado* managed by BM&FBOVESPA and is the third largest motorway operator in Brazil.

It manages a motorway network of approximately 1,860 km located in one of the wealthiest areas of Brazil and in the middle of the trade corridor between the South and South-East of the country through the following concessionaire companies:

- *Concessionaria Ecovias dos Imigrantes S.A.*: a company entirely owned by Ecorodovias, which manages the stretch connecting the metropolitan area of Sao Paolo with the port of Santos, for a total length of 176.8 km ("**Ecovias dos Imigrantes**");

- *Concessionaria Ecovia Caminho do Mar S.A.*: a company entirely owned by Ecorodovias which manages the stretch connecting the metropolitan area of Curitiba with the port of Paranagua, for a total length of 136.7 km ("**Ecovia Caminho do Mar**");

- *Empresa Concessionaria de Rodovias do Sul S.A. – Ecosul*: a company 90 per cent. owned by Ecorodovias and 10 per cent. owned by Grant Concessoes e Partecipacoes Ltda, which manages the stretch connecting the industrial centre of Pelotas, Porto Alegre and Porto do Rio Grande for a total length of 457.3 km ("**Ecosul**");

- *ECO 101 Concessionaria de Rodovias S.A.*: a company 58 per cent. owned by Ecorodovias, 27.5 per cent. by Centauros Partecipacoes Ltda and 14.5 per cent. owned by Grant Concessoes e Partecipacoes Ltda, which manages the stretch connecting Macuri/BA with the border of Rio de Janeiro for a length of 475.9 km ("**Eco101**");

- *Concessionaria das Rodavias Ayrton Senna e Carvalho Pinto S.A. – Ecopistas*: a company entirely owned by Ecorodovias which manages the stretch connecting the vast region of Sao Paolo with the industrial region of Vale do Rio Paraiba for a length of 134.9 km ("**Ecopistas**");

- *Rodovia das Cataratas S.A. – Ecocataratas*: a company entirely owned by Ecorodovias which manages the stretch connecting the region of Paranà with the "triple border" (Brazil, Argentina and Paraguay) for a total length of 387.1 km ("**Ecocataratas**"); and

- *Concessionaria Ponte Rio-Niteroi S.A. – Ecoponte*: a company entirely owned by Ecorodovias which manages the stretch connecting Rio de Janeiro, Niteroi and the State of Rio de Janeiro for a total length of 23 km ("**Ecoponte**" and, together with the other six Brazilian concessionaire companies listed above, the "**Brazilian Motorway Concessionaires**").

The following table lists the expiry date of the concessions held by the Brazilian Motorway Concessionaires.

Concession Holder	Concession/Motorway	Current Expiry Date
Ecovias dos Imigrantes	Sao Paolo - Port of Santos	October 2025
Ecovia Caminho do Mar	Curitiba - Port of Paranagua	November 2021
Ecosul	Pelotas - Porto Alegre and Porto do Rio Grande	March 2026
Eco101	Macuri/BA - border of Rio de Janeiro	May 2038
Ecopistas	Sao Paolo - region of Vale do Rio Paraiba	January 2039
Ecocataratas	Paranà - Triple border	November 2021
Ecoponte	Rio de Janeiro - Niteroi - State of Rio de Janeiro	May 2045

Ecorodovias also controls Ecoporto Santos S.A., a company managing the logistics/port terminal located inside the Port of Santos and Elog S.A., a company that provides integrated logistics services.

On 12 September 2016, following the depreciation of certain items of its balance sheet relating to its port and logistic business, Ecorodovias resolved upon a share capital decrease of BRL 959.9 (equal to Euro 267.4 million on the basis of a 3.5898 exchange rate at 30 June 2016).

- ***VEM ABC***

VEM ABC is a company operating in the urban mobility sector and holds the concession to build and operate a 14.9 km monorail that will connect the city of Sao Paolo and the region of ABC with 13 stations. The concession has a 25-year term and the works are expected to commence in 2018 and to be finalised in four years. The value of the expected investment is approximately BRL 6 billion, with a government grant – not yet funded – of 50 per cent.

Motorway activities in United Kingdom – Road Link Holdings Limited

Road Link Holdings Limited (a company 20 per cent. directly owned by SIAS) holds 100 per cent. of the share capital of Road Link (A69) Limited which, on behalf of the "Secretary for Transport and the Highway Agency", manages the A69 motorway between Newcastle and Carlisle in the United Kingdom. The relevant concession will expire on 31 March 2026.

Other Business Activities

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

Service Areas

As at 31 December 2016, there were approximately 68 service areas on the SIAS Group Italian Network. All service areas include full-service petrol stations and most include self-service minimarkets and food and beverages points. Some service areas include additional accessory services such as motels repair garages shops and information services.

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

motorway subsidiary a percentage of the revenues in the form of a royalty generated from sales for both restaurants/shops and petrol services, based upon a relevant fixed component. The Group monitors the quality of the services offered by the Subcontractors at the service areas through periodic inspections of such areas.

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

The total consolidated income from service areas of the Group derived from royalty payments from Subcontractors for the year ended 31 December 2016 was equal to approximately Euro 28.3 million, compared to approximately Euro 28.9 million for the year ended 31 December 2015.

At the end of 2016, the largest petrol station subcontractor of the Group was ENI S.p.A. and the second largest petrol station subcontractor was Kuwait Petroleum Italia S.p.A.

In 2016, the largest food, beverage and retail subcontractor of the Group was Autogrill S.p.A. The second largest food, beverage and retail Subcontractor is Chef Express S.p.A. (a member of the Cremonini group).

Technology sector

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

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

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

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

Through its IT Business, SINELEC is involved in the desing and implementation of IT infrastructure, management of data centres, design, installation and management of optical fiber network, mobile radio systems, services of IT outsourcing and maintenance of a data processing asset, as well as cybersecurity management.

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

As at the date of this Base Prospectus, SIAS holds, directly and indirectly, a 97.5 per cent. interest in SINELEC.

The Group runs such business also through (i) Euroimpianti Electonic S.p.A., a company that operates in the areas of planning and production of electrical, telephone and electronic systems for motorway companies; (ii) Brescia Milano Manutenzioni S.c.ar.l., a company operating in the maintenance sector of road lighting systems, mainly on behalf of Argentea Gestioni S.c.p.a., which holds the maintenance and management contract for the Bre.Be.Mi motorway; and (iii) Pedemontana Lombarda Manutenzioni S.c.a.r.l., a company operating in the maintenance sector of road systems mainly on behalf of Autostrada Pedemontana Lombarda S.p.A., which holds the maintenance contract for systems of the A8-A9 stretch, the first lot of the Como and Varese ring roads.

Construction sector

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

On 28 April 2016, the extraordinary shareholders' meeting of ASTM approved a share capital increase without option rights in accordance with article 2441, paragraph 4, first sentence of the Italian Civil Code, reserved for the subscription by Codelfa and Argo against the contribution in kind of their respective holdings in ITINERA amounting respectively to 43.90 per cent. and 9.45 per cent. of ITINERA's share capital (such contribution, the "**Contribution in Kind**"). As a consequence of the Contribution in Kind and the related share capital increase, effective as of 1 July 2016, ASTM holds, directly and indirectly (including without limitation through SATAP, which holds 29.6 per cent. of ITINERA's share capital), the entire share capital of ITINERA, save for one share held by SEA – Segnaletica Autostradale S.p.A.

On 3 October 2016, in the context of a reorganisation process of the Group, the respective shareholders' meeting of ITINERA and ABC COSTRUZIONI S.p.A. ("**ABC**"), a company established in 1935 under the legal name Società Anonima Bresciana A.B.C. (then renamed ABC) and active in the construction of motorway and maintenance services on behalf of SALT, CISA and ADF, approved the project for the merger by way of incorporation of ABC into ITINERA (the "**ITINERA/ABC Merger**"). The ITINERA/ABC Merger became effective on 31 December 2016.

As a consequence of the ITINERA/ABC Merger, ADF was assigned 1,717,500 of ITINERA's shares (equal to 1.98 per cent. of ITINERA's share capital), CISA (currently SALT) was assigned with 1,974,622 ITINERA's shares (equal to 2.27 per cent. of ITINERA's share capital) and SALT was assigned with 1,548,472 ITINERA's shares (equal to 1.78 per cent. of ITINERA's share capital). As at the date of this Base Prospectus, SIAS, holds, directly and indirectly, a 33.88 per cent. equity interest in ITINERA.

ITINERA operates mainly in the Republic of Italy, although it has also implemented over the years several construction activities in France, Germany, Hungary, Slovenia, Romania and Cameroon.

In accordance with the strategic aim of expanding its presence in the international markets, in October 2015, ITINERA acquired a 34.3 per cent. equity interest (representing 49 per cent. of the economic interest) in the share capital of Federici Stirling Batco LLC, a company active in the construction field in the Sultanate of Oman.

In 2015 ITINERA established new branches in Romania, in the Arabian Peninsula (Dubai and Abu Dhabi), in Algeria, in the Republic of Angola and in Zambia for the purpose of taking part in the tenders for the construction of roads, railways, ports and airports. Similar developments occurred in 2016 in the USA, East Africa (Kenya), South Africa, Botswana and Saudi Arabia.

In the first half of 2017, ITINERA incorporated under Brazilian law Itinera Construcoes LTDA, a company that is expected to carry out works for Ecorodovias. In addition, on 5 July 2017, ITINERA acquired 50 per cent. of the share capital of Halmar International LLC ("**Halmar**"), one of the leading construction companies operating in the metropolitan area of New York in the construction of transport infrastructure (roads, motorways, railways, subways, airports, bridges and elevated roads). The value of the transaction amounted to USD 60 million (of which USD 50 million to purchase shares and USD 10 million as additional equity). Based on the governance agreements signed by the shareholders, Halmar is controlled by the Itinera group. The transaction was carried out by establishing the US subsidiary ITINERA USA CORP, wholly owned by the Itinera group.

The main areas of interest for ITINERA are currently represented by Eastern and Northern Europe (Romania, Denmark, Sweden and Norway), Gulf Region (Abu Dhabi, Kuwait, Oman), Southern and East Africa (Botswana, Kenya, Tanzania), USA and Brazil.

As at 30 September 2017, the backlog of the ITINERA group is broken down as follows: 66% Italy, 34% overseas (in this latter case with an expectation of growth within the end of 2017).

Employees

As at 31 December 2016, the Group had 2,404 employees.

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

Competition

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

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

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

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

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

Insurance

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

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

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

Legal Proceedings

As part of the ordinary course of business, companies within the Group are subject to a number of administrative, civil and tax proceedings relating to the construction, operation and management of the Group's network. SIAS has conducted a review of its ongoing litigation and has made provisions in its consolidated financial statements where the disputes were likely to result in a negative outcome and a reasonable estimate of the loss could be made, in accordance with applicable accounting principles. Notwithstanding the foregoing, it cannot be excluded that the occurrence of new developments that, as at the date of this Base Prospectus are not predictable, may result in such provisions being inadequate.

In other cases, where the adverse outcome of a given litigation was merely possible or the dispute could be resolved in a satisfactory manner and without significant impact, no specific provisions were made in its consolidated financial statements.

For further information on legal proceedings involving the companies belonging to the Group in addition to the one described below, see (a) the notes to the consolidated financial statements of the Issuer for the year ended 31 December 2016 and, in particular, Note 12 (*Provisions for risks and charges and Employee benefits*) and the paragraph headed "*Other information – RFI S.p.A. lawsuit*"; (b) the paragraph in the report on operations relating to the consolidated financial statements of the Issuer for the year ended 31 December 2016 headed "*Risk factors and uncertainties*"; (c) the notes to the semi-annual consolidated financial statements as at 30 June 2017 and, in particular, Note 13 (*Provisions for risks and charges and Employee benefits (Employee Severance Indemnity)*) and the paragraph headed "*Other information – RFI S.p.A. lawsuit*"; and (d) the paragraph in the interim management report relating to the semi-annual consolidated financial statements as at 30 June 2017 headed "*Risk factors and uncertainties*", respectively, each incorporated by reference into this Base Prospectus (see "*Information incorporated by reference*", above).

Proceedings involving Codelfa

Codelfa, a company in which SIAS indirectly holds a minority interest equal to 16.423 of its share capital, is involved in a criminal proceeding which has been brought against the Chief Executive Officer and a former director of Codelfa (who was the past Chairman of the Board of Director of SIAS) for alleged charges of corruption and illegal financing of political parties effected through certain real estate transactions involving Codelfa.

As such illegal acts were allegedly deemed to have been committed in the interest or for the benefit of Codelfa, the latter was involved in the aforesaid proceeding pursuant to Article 5, Paragraph 1 and Articles 25, Paragraphs 2 and 4 of Legislative Decree No. 231 of 8 June 2001 (regulating the administrative liability of legal entities, the "**Decree 231**").

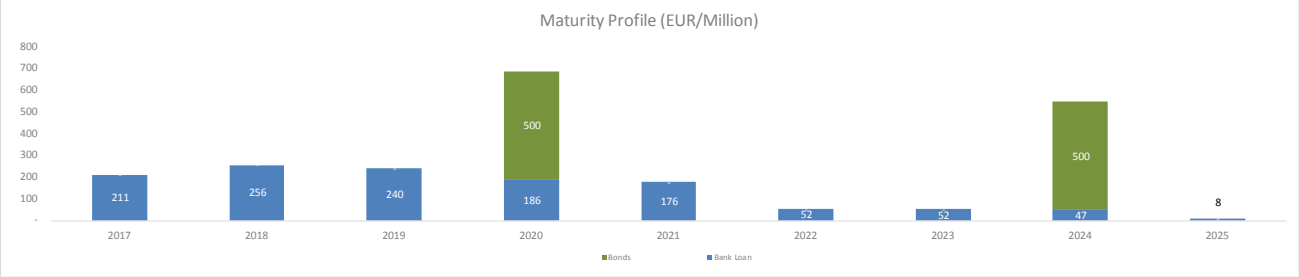
On 10 December 2015, the Court of Monza absolved Mr Binasco from the alleged breaches since it concluded that the criminal offence was not existing (*il fatto non sussiste*). On 28 September 2017, the ruling was upheld by the Court of Appeal of Milan. Upon filing of the detailed decision, which is expected to occur by 26 December 2017, the ruling may be challenged, if any, only for legitimacy grounds (*motivi di legittimità*) before the Italian Supreme Court (*Corte di Cassazione*).

Financial structure

Group's financial debt and maturity profile

As at 30 June 2017, the Group's long term financial debt(1) was equal to Euro 2.2 billion with an average maturity of 4.6 years. As at the same date, 81 per cent. of the Group's debt was repayable at a fixed rate of interest.

The chart below sets forth the Group's maturity profile as at 30 June 2017.



(1) Excluding (i) NPV of non financial debt due to Fondo Centrale di Garanzia, (ii) fair value of derivatives and (iii) bank overdrafts.

Financing – Issue of notes

- SIAS is the issuer and primary obligor under the "Euro 500,000,000 4.5 per cent. Senior Secured Notes due 26 October 2020" (ISIN Code: XS0552569005) issued in October 2010 under the Programme (the "**2010 Secured Notes**") to fund SALT and SATAP. The 2010 Secured Notes are currently listed on the Irish Stock Exchange. The holders of the 2010 Secured Notes (acting through

the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2010 Secured Notes.

- SIAS is the issuer and primary obligor under the "Euro 500,000,000 3.375 per cent. Senior Secured Notes due 13 February 2024" (ISIN Code: XS1032529205) issued in February 2014 under the Programme (the "**2014 Secured Notes**") to fund SAV, SATAP, ADF, ATS (currently ADF) and CISA (currently SALT). The 2014 Secured Notes are currently listed on the Irish Stock Exchange. The holders of the 2014 Secured Notes (acting through the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2014 Secured Notes.

Financing – Financing agreements

- In May 2011, SIAS entered into separate loan agreements for a total amount of up to Euro 500,000,000 to fund, through intercompany loans, the investments of SATAP, SALT, ADF and SAV. In particular: (i) facilities up to an aggregate amount of Euro 300,000,000 were granted by Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), UniCredit S.p.A. ("**UniCredit**") and CentroBanca Banca di Credito Finanziario e Mobiliare S.p.A. ("**Centrobanca**", which is now UBI Banca S.p.A. ("**UBI**")), acting as intermediaries with regard to the funds made available by the European Investment Bank (the "**EIB**") and (ii) further facilities up to an aggregate amount of Euro 200,000,000 were made available to the Issuer directly by the EIB and guaranteed by SACE S.p.A. ("**SACE**"). In May 2014, SIAS voluntarily cancelled from the facilities under (i) above an undrawn amount equal to Euro 20,000,000, thus reducing the total aggregate amount available under such facilities to Euro 280,000,000. The facilities under (i) and (ii) above are amortising facilities and their final repayment date falls in December 2024. In October 2017, SIAS sent to the above mentioned intermediary banks and to EIB two voluntary prepayment notices amounting to, respectively, Euro 115.500.000 and Euro 28.000.000 with settlement date 15 December 2017. Upon such further prepayment, the amount outstanding under the above facilities will be equal to 57,357,142.86 and 93,071,428.60, respectively. The outstanding payment obligations of SIAS *vis-à-vis* the financial institutions named under (i) and (ii) above are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP, SALT, ADF and SAV. Mediobanca, UniCredit, Centrobanca (now UBI), the EIB and SACE acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 24 May 2011.

- In December 2015, SIAS and BNP Paribas ("**BNPP**") entered into a loan agreement pursuant to which BNPP agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the "**BNPP Loan**") to be applied (through an intercompany loan) to fund AT-CN's investments. The BNPP Loan provides for a bullet repayment in 10 December 2018. The payment obligations of SIAS *vis-à-vis* BNPP under the BNPP Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN out of the proceeds of the BNPP Loan. BNPP acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 9 December 2015. In February 2016, BNPP transferred the BNPP Loan to its subsidiary Banca Nazionale del Lavoro S.p.A., which then assumed all the rights and obligations arising from the BNPP Loan, the pledge agreement and the Intercreditor Agreement.

- In December 2015, SIAS entered into a loan agreement for a total amount of up to Euro 270,000,000 to fund the investments of Autovia Padana through an intercompany loan. The facility was granted by UniCredit, Intesa Sanpaolo S.p.A. ("**Intesa**") and Cassa di Risparmio di Parma e Piacenza S.p.A. ("**Cariparma**"). The facility is an amortising facility and its final repayment date falls in December 2031. The payment obligations of SIAS *vis-à-vis* the above financial institutions are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to Autovia Padana. UniCredit, Intesa and Cariparma, acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 15 December 2015. In September 2017, the parties agreed on, *inter alios*, (i) the extension of the availability period up to 31 March 2018 and (ii) the extension of the final repayment date to December 2033. As at the date of this Base Prospectus, the facility is undrawn.

- In December 2015, Autovia Padana entered into a loan agreement for a total amount of up to Euro 66,000,000 to fund the VAT cash out arising from Autovia Padana's investment. In particular, the facility was granted by UniCredit and Intesa. The facility is a bullet facility and its final repayment date falls in December 2020. In March 2017 the loan agreement was amended in order to foresee the possibility of set-off of Autovia Padana VAT Credit with the parent company SATAP VAT debit. In September 2017, the parties agreed on, *inter alios*, (i) the extension of the role of financing party (as mandated lead arranger) to Cariparma and (ii) the extension of the availability period to 31 March 2018. As at the date of this Base Prospectus, the facility is undrawn.

- In January 2017, SIAS and Banca Popolare di Milano ("**BPM**") entered into a loan agreement pursuant to which BPM agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the "**BPM Loan**"). Pursuant to the terms of the loan agreement, the proceeds of the BPM Loan will be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN's investments. The BPM Loan provides for a bullet repayment in January 2019. The payment obligations of SIAS *vis-à-vis* BPM under the BPM Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. BPM acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 17 January 2017.

- In January 2017, SIAS and BPM entered into a loan agreement pursuant to which BPM agreed to grant to SIAS a revolving back-up facility line up to a maximum principal amount of Euro 50,000,000 (the "**BPM RCF**"). Pursuant to the terms of the loan agreement, the proceeds of the BPM RCF will be used by SIAS for corporate finance needs. As at the date of this Base Prospectus, the BPM RCF is undrawn.

- In March 2017, SIAS and Credito Valtellinese ("**Creval**") entered into a loan agreement pursuant to which Creval agreed to grant to SIAS a revolving back-up facility line up to a maximum principal amount of Euro 30,000,000 (the "**Creval Facility**"). Pursuant to the terms of the loan agreement, the proceeds of the Creval Facility will be used by SIAS for corporate finance needs. As at the date of this Base Prospectus the Creval Facility is completely undrawn.

- In June 2017, SIAS and UBI entered into a loan agreement pursuant to which UBI agreed to grant to SIAS a loan up to a maximum principal amount of Euro 70,000,000 (the "**UBI Loan**"). Pursuant to the terms of the loan agreement, the proceeds of the UBI Loan will be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN's investments. The UBI Loan provides for a bullet repayment in September 2019. The payment obligations of SIAS *vis-à-vis* UBI under the UBI Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. UBI entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 30 June 2017.

- In September 2017, SIAS and Banca Nazionale del Lavoro ("**BNL**") entered into a loan agreement pursuant to which BNL agreed to grant to SIAS a loan up to a maximum principal amount of Euro 30,000,000 (the "**BNL Loan**"). Pursuant to the terms of the loan agreement, the proceeds of the BNL Loan shall be on-lent by SIAS to AT CN through an intercompany loan to fund AT CN investments. The BNL Loan provides for a bullet repayment in September 2019. The payment obligations of SIAS *vis-à-vis* BNL under the BNL Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT CN. In relation to the BNL Loan, BNL entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 14 September 2017.

- In October 2017, SIAS and Mediobanca, UniCredit and UBI (together the "**Financing Parties**") entered into a loan agreement pursuant to which the Financing Parties agreed to grant to SIAS a loan up to a maximum principal amount of Euro 143,500,000 (the "**Financing Parties Loan**"). Pursuant to the terms of the loan agreement, the proceeds of the Financing Parties Loan will be on-lent by SIAS to SATAP through an intercompany loan to fund SATAP financial needs. The facility is an amortizing facility and its final repayment date falls in December 2024. The payment obligations of SIAS *vis-à-vis* the above Financing Parties are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP. UniCredit, Mediobanca and UBI, acceded to the Intercreditor Agreement and assumed all

rights and obligations arising thereunder with effect from 20 October 2017. The facility is currently expected to be disbursed by 31 December 2017 to refinance existing indebtedness.

- In February 2016, in order to have more efficient cash management at SIAS Group level, SIAS and SATAP entered into an intercompany loan agreement pursuant to which SATAP agreed to grant to SIAS an Euro 160.000.000 financing. The intercompany loan agreement has a duration of one year with the possibility, on a yearly basis, of automatic renewal (*rinnovo tacito*).

- In March 2017, in order to have more efficient cash management at SIAS Group level, SIAS and ADF entered into an intercompany loan agreement pursuant to which ADF agreed to grant to SIAS an Euro 50.000.000 financing. The intercompany loan agreement has a duration of one year with the possibility, on a yearly basis, of automatic renewal (*rinnovo tacito*).

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

Shareholders

According to communications provided pursuant to Article 120 of Legislative Decree No. 58 of 24 February, 1998, as amended (the "**Financial Services Act**"), and available information as at the date hereof, shareholders which own a shareholding exceeding 3 per cent. of the SIAS voting capital were as follows:

Declarer	Direct Shareholder	Type of possession	Percentage of voting capital
Aurelia S.r.l.	S.I.N.A. Società Iniziative Nazionali Autostradali S.p.A.	Owner	1.718%
	ASTM S.p.A.	Owner	61.705%
	Argo Finanziaria S.p.A. unipersonale	Owner	0.021%
	Aurelia S.r.l.	Owner	6.229%
	Total		**69.673%**

The remaining percentage of shares is owned by the market.

With effect from 7 April 2014, the option contracts having SIAS' ordinary shares as underlying assets are traded on the IDEM market, the regulated market for futures and option contracts managed by Borsa Italiana S.p.A.

SIAS is controlled pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code by ASTM S.p.A., which in turn is controlled by Argo.

SIAS is subject to the direction and coordination of Argo in accordance with Articles 2497 and following of the Italian Civil Code.

Corporate Governance

Corporate governance rules for Italian companies, such as SIAS, whose shares are listed on the Italian Stock Exchange, are provided in the Italian Civil Code, in the Financial Services Act, in Regulation No. 11971, and in the voluntary code of corporate governance issued by Borsa Italiana S.p.A., as amended (the "**Corporate Governance Code**").

SIAS has adopted a traditional system of corporate governance, based on a conventional organisational model involving shareholders' meetings, a board of directors, a board of statutory auditors and independent auditors.

Pursuant to its by-laws, the management of SIAS is entrusted to a collegial body made up of no fewer than seven and no more than fifteen members (including the independent directors in accordance with applicable

laws and regulations), appointed by the shareholders' meeting (collectively the "**Board of Directors**", each a "**Director**").

Directors are appointed for the period established by the shareholders' meeting that appoints them which shall not exceed three financial years. Directors can be reappointed. The by-laws of SIAS provide for a voting list system for the appointment of all members of the Board of Directors.

The Board of Directors has the widest possible powers to perform the ordinary and extraordinary tasks involved in managing SIAS. It is authorised to take all the steps that it deems appropriate in order to achieve SIAS' aims and corporate objectives, with the sole exception of the powers expressly reserved by law or SIAS' by-laws to the shareholders' meeting. In addition, SIAS' by-laws vest the Board of Directors with the power to, *inter alia*, resolve upon the following matters: (a) adjustment of the by-laws to applicable laws pursuant to Article 2365, Paragraph 2, of the Italian Civil Code; and (b) merger by way of incorporation of SIAS' fully owned companies and/or companies in which SIAS holds at least a 90 per cent. equity interest pursuant to Articles 2505 and 2505-*bis*, respectively, of the Italian Civil Code.

Pursuant to SIAS' by-laws, the board of statutory auditors is composed of three auditors and three alternate auditors, each of which shall meet the requirements provided for by applicable law and SIAS' by-laws (collectively the "**Board of Statutory Auditors**"). All members of the Board of Statutory Auditors are appointed by the shareholders' meeting for three financial years and can be reappointed. The by-laws of SIAS provide for a voting list system for the appointment of all members of the Board of Statutory Auditors. The alternate auditors will replace any statutory auditor who resigns or is otherwise unable to serve as a Statutory Auditor in accordance with SIAS' by-laws.

The Board of Statutory Auditors is the corporate body that verifies that administrative matters are in good order and, in particular, whether the organisational, administrative and accounting structure adopted by the Board of Directors is appropriate and operating as it should.

The Issuer by-laws complies with applicable laws and regulations aimed at ensuring the gender balance within the Board of Directors and the Board of Statutory Auditors for three consecutive mandates.

Management

Board of Directors

The shareholders' meeting held on 27 April 2017 appointed SIAS' Board of Directors for a period of three financial years. Unless their office is terminated early, all the members will remain in office until the shareholder's meeting called to approve SIAS' financial statements for the financial year ending 31 December 2019.

The following table sets out the current members of the SIAS Board of Directors.

Name	Position
Stefania Bariatti (1)	Chairman
Daniela Gavio (2)	Deputy Chairman
Paolo Pierantoni (2)	Chief Executive Officer
Giovanni Angioni	Director
Stefano Caselli	Director
Sergio De Luca	Director
Edda Gandossi	Director
Beniamino Gavio	Director
Saskia Elisabeth Christina Kunst	Director
Licia Mattioli	Director
Andrea Pellegrini	Director
Ferruccio Piantini	Director
Giovanni Quaglia	Director
Antonio Segni	Director
Paolo Simioni	Director

(1) Ms Stefania Bariatti was appointed as Chairman of the Board of Directors by the shareholders meeting held on 27 April 2017.

(2) Ms Daniela Gavio and Mr Paolo Pierantoni were appointed, respectively, as Deputy Chairman and Chief Executive Officer by the Board of Directors held on 2 May 2017.

The business address of the members of the Board of Directors is the Issuer's registered office at Via Bonzanigo 22, 10144 Turin, Italy.

Other offices held by members of the Board of Directors

The table below lists the offices of the board of directors, board of statutory auditors, supervisory committees or other positions other than those within SIAS held by the members of SIAS' Board of Directors.

Name	Position	Main positions held by Directors outside SIAS
Stefania Bariatti	Chairman	Director of ASTM S.p.A. Director of Banca Monte dei Paschi di Siena S.p.A. Sole Director of Canova Guerrazzi S.S.
Daniela Gavio	Deputy Chairman	Chairman of the Board of Directors of Appia S.r.l. Chairman of the Board of Directors of Gavio & Torti – Casa di Spedizione S.p.A. Chairman of the Board of Directors of SINELEC S.p.A. Director of Argo Finanziaria S.p.A. with a sole shareholder Director of Aurelia S.r.l. Deputy Chairman of the Board of Directors of Autostrada dei Fiori S.p.A. Director of SEA – Segnaletica Autostradale S.p.A. Director of SAV – Società Autostrade Valdostane S.p.A. Director of PCA S.p.A. Deputy Chairman of the Board of Directors of ASTM S.p.A. Deputy Chairman of the Board of Directors of Società Autostrada Torino – Alessandria – Piacenza S.p.A. Deputy Chairman of the Board of Directors and Member of the Executive Committee of Società Autostrada Ligure Toscana S.p.A. Sole Director of Azienda Agricola Balda S.r.l.

Name	Position	Main positions held by Directors outside SIAS
Paolo Pierantoni	Chief Executive Officer	Director of RINA S.p.A. Director of Cassa di Risparmio della Spezia S.p.A. Director of EcoRodovias Infraestutura e Logistica S.A. Director of EcoPorto Santos S.A. Director of Elog S.A. Director of Primav Infraestutura S.A. Director of IGLI S.p.A. Director of Argo Finanziaria S.p.A. with a sole shareholder Director of Tangenziale Esterna S.p.A. Director of Tangenziali Esterne di Milano S.p.A. Director and member of the Executive Committee of Autostrada Torino – Ivrea – Valle d'Aosta S.p.A. Deputy Chairman of AISCAT
Giovanni Angioni	Director	Deputy Chairman of the Board of Directors of Società Asti – Cuneo S.p.A. Director of Tangenziali Esterne Milano S.p.A. Director of Tangenziale Esterna S.p.A. Director of Milano – Serravalle Milano – Tangenziali S.p.A. Director of Rocca del Castellaro S.p.A. Director of Salt P.A. Standing Auditor of Fomec S.p.A. Sole Auditor of Garelli & Viglietti S.r.l. Chairman of the Board of Statutory Auditor of S. Andrea S.p.A.
Stefano Caselli	Director	Director of Generali Real Estate SGR S.p.A. Director of Istituto per il sostentamento del clero della Diocesi di Milano. Standing Auditor of Santander Consumer Bank S.p.A. Standing Auditor of Banca PSA S.p.A.
Sergio De Luca	Director	Director of MERMEC S.p.A.
Edda Gandossi	Director	Alternate Auditor of Ecorodovias
Beniamino Gavio	Director	Chairman of the Board of Directors of Argo Finanziaria S.p.A. with a sole shareholder Chairman of the Board of Directors of Aurelia S.r.l. Chairman of the Board of Directors of Baglietto S.p.A. Director of IGLI S.p.A. Chairman of the Board of Directors of Interstrade S.p.A. Director of IMCO Progetti e Costruzioni S.r.l. Chairman of the Board of Directors of Primav Infraestrutura S.A. Director of Bertram LLC. Director of PCA S.p.A. Sole Director of FLAMINIA di Gavio Beniamino & C. SAS Director of ASTM S.p.A. Director of EcoRodovias Infraestutura e Logistica S.A. Director of SEA – Segnaletica Stradale S.p.A. Director of Gavio & Torti Casa di Spedizioni S.p.A.
Saskia Elisabeth Christina Kunst	Director	None
Licia Mattioli	Director	Chief Executive Officer of Mattioli S.p.A. Deputy Chairman of Confindustria for Internationalization and Foreign Investors Deputy Chairman of Compagnia San Paolo Member of the board of the North-West Territory of Unicredit Director of European School of Management Italy (ESMI) Board Italian branch of ESCP Europe Director of ICE S.p.A. Director of Pininfarina S.p.A.
Andrea Pellegrini	Director	Director of Maire Tecnimont S.p.A. Director of Idea Capital Funds SGR S.p.A. Deputy Chairman of the Board of Directors of Italian Hospitality Collection S.p.A.
Ferruccio Piantini	Director	Chairman of Strategie Industriali Finanziarie S.r.l.

Name	Position	Main positions held by Directors outside SIAS
		Chairman of PDI Ltd Chairman of Roundpizza Ltd Chairman of 450 West Ltd Deputy Chairman of CIDI S.r.l Director of Società Autostrada Ligure Toscana p.A. Director of Autostrada dei Fiori S.p.A. Director of CIDI International SA Director of Architects S.r.l.
Giovanni Quaglia	Director	Chairman of Fondazione CRT Director of Bus Company S.r.l. Standing Auditor of Venchi S.p.A. Chairman of the Board of Statutory Auditor of Perseo S.p.A. (in liquidation) Standing Auditor of AISCAT Chairman of the Board of Directors of REAM SGR S.p.A. Director of Fondazione Peano Chairman of the Board of Directors of OGR-CRT S.c.p.A. Member of the Board of Università degli Studi di Scienze Gastronomiche di Pollenzo
Antonio Segni	Director	Chairman of the Board of Directors of Ambienta SGR S.p.A. Chairman of the Board of Directors of B4 Investimenti SGR S.p.A.
Paolo Simioni	Director	General Manager of ACEA S.p.A. Chairman of the Board of Directors of ATAC S.p.A. Director of I.C.M. S.p.A. Director of Gruppo Maltauro S.p.A.

Committees of the Board of Directors

Under the authority conferred on it by SIAS' by-laws, the Board of Directors has deemed it appropriate to establish specific committees consisting of some of its members in order to increase the efficiency and the effectiveness of its activities. Such committees have a consultative and advisory role.

At the date of this Base Prospectus, the following committees have been created within the Board of Directors:

- the **Compensation Committee**, having the task of, *inter alia*, (i) submitting proposals to the Board of Directors on the remuneration policy of Directors and key management personnel; (ii) assessing on a periodical basis the adequacy, consistency and application of such policies; (iii) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors holding specific offices, as well as on the performance targets related to the variable component of this remuneration; and (iv) monitoring the implementation of the decisions adopted by the Board of Directors by assessing, in particular, the actual achievement of performance targets. In accordance with the Corporate Governance Code requirements, the Remuneration Committee is made up of non-executive and independent Directors; and

- the **Sustainability, Control and Risk Committee**, performing advisory and informative functions as listed in the Corporate Governance Code. The Sustainability, Control and Risk Committee makes also a preliminary review of related parties transactions in order to support the Board of Directors' decisions. The Sustainability, Control and Risk Committee has also proposal and consultive functions on corporate social responsibility, including without limitation assessment of the sustainability plan, monitoring of its implementation and assessment of the sustainability report. In accordance with the Corporate Governance Code requirements, the Sustainability, Control and Risk Committee is made up of non-executive and independent Directors.

The Board of Directors has not deemed it necessary to create an internal Appointment Committee in line with the assessments made in the past.

Independent Directors

The current Board of Directors includes ten Directors who meet requirements of independence and qualify as independent Directors in accordance with the guidelines provided for by the Corporate Governance Code. As at the date of this Base Prospectus, the independent Directors are Mr. Giovanni Angioni, Mr. Stefano Caselli, Mr. Sergio De Luca, Ms. Saskia Elisabeth Christina Kunst, Ms. Edda Gandossi, Ms. Licia Mattioli, Mr. Andrea Pellegrini, Mr. Antonio Segni and Mr. Paolo Simioni.

The Board of Directors has chosen not to designate a lead independent director since, having considered the current organisational structure of the Board of Directors whereby the positions of Chairman and Chief Executive Officer are not held by the same person, it did not consider that the Corporate Governance Code's requirements for such a designation exist at this time.

General remuneration policy

In compliance with regulations governing transparency of the remuneration set forth under Article 123-*ter* of the Financial Services Act, the Board of Directors in the meeting held on 29 March 2017 – having considered the valuations made by the Remuneration Committee and the Board of Statutory Auditors – approved SIAS' policy on the remuneration of the members of the administrative bodies, general managers and other executives with strategic responsibilities – envisaged in paragraph 3, letter a) of the above-mentioned Article 123-*ter* of the Financial Services Act – for 2017.

Board of Statutory Auditors

The shareholders' meeting held on 27 April 2017 appointed SIAS' Board of Statutory Auditors for a period of three financial years, until the shareholder's meeting called to approve SIAS' financial statement for the financial year ending 31 December 2019.

The following table sets out the current members of SIAS' Board of Statutory Auditors.

Name	**Position**
Daniela Elvira Bruno	Chairman
Annalisa Donesana	Member
Pasquale Formica	Member
Luisella Bergero	Alternate Auditor
Riccardo Bolla	Alternate Auditor
Alessandra Pederzoli	Alternate Auditor

The business address of the members of the Board of Statutory Auditors is the Issuer's registered office at Via Bonzanigo 22, 10144 Turin, Italy.

Other offices held by members of the Board of Statutory Auditors

The table below lists the offices of the boards of directors, boards of statutory auditors, supervisory committees or other positions other than those within SIAS held by the members of SIAS' Board of Statutory Auditors.

Name	**Position**	**Main positions held by Statutory Auditors outside SIAS**
Daniela Elvira Bruno	Chairman	Director of Associazione CAF Onlus, Sole Statutory Auditor of Ametech S.r.l., Chairman of the Board of Directors of Ro.EI.Mi. Holding S.p.a., Statutory Auditor of Therabel Gienne Pharma S.p.A., Standing Auditor of eCommerce Partners S.p.A., Standing Auditor of Elopak S.p.A., Standing Auditor of I.C.R. S.p.A., Standing Auditor of Immobiliare Elfin S.p.A., Standing Auditor of Lacto siero Italia S.p.A.
Annalisa Donesana	Member	Standing Auditor of DeA Capital S.p.A., Standing Auditor of DeA Capital Real Estate S.p.A., Standing Auditor of Casa di Cura San Pio X S.r.l., Standing Auditor of Humanitas Centro Catanese di Oncologia S.p.A., Standing Auditor of Banca del Mezzogiorno – Medio Credito Centrale

Name	Position	Main positions held by Statutory Auditors outside SIAS
		S.p.A., Standing Auditor of Edwards Lifesciences Italia S.p.A., Standing Auditor of A2A Security Società Consortile per Azioni.
Pasquale Formica	Member	Standing Auditor of Ecogena S.p.A.
Luisella Bergero	Alternate Auditor	Standing Auditor of Cosulich Internatonal S.r.l., Standing Auditor of ERG Power Generation S.p.A., Standing Auditor of ERG Hydro S.r.l., Standing Auditor (perfoming also auditing function) of I.P.S. Insediamenti Produttivi Savonesi S.c.p.a., Sole Statutory Auditor (perfoming also auditing function) of Carbur S.r.l., Chairman of the Board of Statutory Auditors of ERG Power S.r.l., Alternate Auditor of ERG S.p.A., Alternate Auditor (performing also auditing function) of Express S.r.l., Alternate Auditor of Autocamionale della Cisa S.p.A., Alternate Auditor of Autostrada Torino – Savona S.p.A., Alternate Auditor of Fratelli Cosulich S.p.A.
Riccardo Bolla	Alternate Auditor	Standing Auditor of Autostrada dei Fiori S.p.A., Standing Auditor of Carestream Healt Italia S.r.l., Standing Auditor of Coscos S.r.l., Standing Auditor of Express S.r.l., Standing Auditor of Link Industries S.p.A., Standing Auditor of Autostrada Torino – Savona S.p.A., Standing Auditor (performing also auditing function) of Società Servizi Generali del Porto di Savona Vado S.r.l., Standing Auditor (performing also auditing function) of Logistica Tirrenica S.p.A., Standing Auditor (performing also auditing function) of Vetreco S.r.l., Standing Auditor (performing also auditing function) of Cosco Shipping Lines (Italy) S.r.l., Sole Statutory Auditor of Ecoglass S.r.l., Sole Statutory Auditor (performing also auditing function) of Nuova Foce S.r.l., Chairman of the Board of Statutory Auditors of Cavanna S.p.A., Chairman of the Board of Statutory Auditors of Cosulich International S.r.l., Chairman of the Board of Statutory Auditors of Fratelli Cosulich S.p.A., Chairman of the Board of Statutory Auditors of Interporto Vado Vio S.p.A., Chairman of the Board of Statutory Auditors of Tpl Linea S.r.l., Chairman of the Board of Statutory Auditors of IGLI S.p.A., Chairman of the Board of Statutory Auditors (performing also auditing function) of Ester Capital S.r.l., Chairman of the Board of Statutory Auditors (performing also auditing function) of Axia.RE S.p.A., Chairman of the Board of Statutory Auditors of Sirti Energia S.p.A., Chairman of the Audit Committee of Fondazione A. De Mari, Sole External Auditor of Fondazione Edoardo Garrone, External Auditor of Rotary Savona, External Auditor of Comune Rapallo, Director of Università di Genova, Alternate Auditor of Autocamionale della Cisa S.p.A., Alternate Auditor of Four Jolly S.p.A., Alternate Auditor of Scarpe e Scarpe S.p.A., Alternate Auditor of SAGI Holding S.p.A.
Alessandra Pederzoli	Alternate Auditor	Chairman of the Board of Statutory Auditors of ABL S.p.A, Chairman of the Board of Statutory Auditors of Ichnusa Gas S.p.A., Chairman of the Board of Statutory Auditors of SEA – Segnaletica Stradale S.p.A., Chairman of the Board of Statutory Auditors of Tea Acque S.r.l., Chairman of the Board of Statutory Auditors of Trigano S.p.A., Chairman of the Board of Statutory Auditors of Trigano Van S.r.l., Standing Auditor of AeC costruzioni S.r.l., Standing Auditor of Fincedi Padana S.p.A., Standing Auditor of Sanfelice 1893 Banca Popolare, Standing Auditor of Sorgea S.r.l., Sole Statutory Auditor of Arca Camper S.r.l., Sole Statutory Auditor of Marigliano Gas S.r.l., Sole Statutory Auditor of Proliber S.r.l., Sole Statutory Auditor of Tred Carpi S.r.l., Sole External Auditor of ASP "Comuni Modenesi Area Nord", Sole External Auditor of Geovest S.r.l.

Conflicts of Interest

There are no potential or existing conflicts of interest between the duties of the members of the Board of Directors and the Board of Statutory Auditors to SIAS and their private interests or other duties.

Senior Management

On 30 July 2015, the Board of Directors of SIAS appointed Mr Umberto Tosoni as General Manager of the Issuer. Mr Tosoni will manage the reorganisation and development process of the motorway concession business of the Group.

As at the date of this Base Prospectus, Mr Tosoni held the following offices within the Group: Chief Executive Officer of AT-CN, SAV, SATAP and SITAF, Director of ASTM, ADF, SALT, TE and TEM, Deputy Chairman of SINELEC and Chairman of the Board of Directors of i One Solution S.r.l.

Internal Audit and Risk Management systems

In December 2012, pursuant to the Corporate Governance Code's recommendations, the Board of Directors of SIAS resolved the implementation of its internal audit system (the "**Internal Audit**") which became operative as from 1 January 2013.

The Internal Audit's structure is aimed at achieving the strategic objectives of the Issuer and the SIAS Group. In particular it ensures, *inter alia*, the effectiveness of corporate transactions, the reliability of financial information, the compliance with current applicable law and the safeguard of corporate assets.

The Board of Directors, having the responsibility of the Internal Audit, identifies its policies and regularly assesses its suitability and effectiveness. Furthermore, the Board of Directors has appointed an Internal Audit manager, who is not responsible for any operating function and is subject to the Board of Directors, but who periodically reports the results of the assessment to the Chairman of the Board of Statutory Auditors, the Audit and Risk Committee and the Chairman of the Board of Directors.

Transactions with related parties

On 26 November 2010, the Board of Directors of the Issuer approved a new procedure that regulates the approval and the execution of the transactions with related parties entered into by SIAS, directly or through subsidiaries, which was adopted in accordance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing CONSOB Regulation No. 17221 of 12 March 2010 (as subsequently amended by CONSOB Regulation No. 17389 of 23 June 2010). Such procedure has replaced, with effect from 1 January 2011, any previous regulation for transactions with related parties approved by the Board of Directors of the Issuer and was subsequently amended on 9 November 2012, on 6 March 2014 and on 23 January 2017.

Independent Auditors

The independent auditors ascertain whether the accounting records are properly maintained and record faithfully the results of operations. They also determine whether the statutory financial statements and the consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and whether they comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the board of directors may ask them to perform, provided they are not incompatible with their audit assignment.

Current Independent Auditors

The Issuer's current independent auditors are PricewaterhouseCoopers S.p.A., with registered office in Milan, Italy ("**PwC**" or the "**Independent Auditors**").

PwC is registered under No. 119644 in the Register of independent auditors held by the Ministry of Economy and Finance and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The Independent Auditors' current appointment was conferred for the period 2017–2025 by the shareholders' meeting held on 27 April 2017 and will expire on the date of the shareholders' meeting convened to approve SIAS' financial statements for the financial year ending 31 December 2025.

Former Independent Auditors

The Issuer's former independent auditors were Deloitte & Touche S.p.A., with registered office in Turin, Italy ("**Deloitte**" or the "**Former Independent Auditors**").

Deloitte is registered under No. 132587 in the Register of independent auditors held by the Ministry of Economy and Finance and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The Former Independent Auditors' appointment was conferred for the period 2008–2016 by the shareholders' meeting held on 12 May 2008 and expired on the date of the shareholders' meeting convened to approve SIAS' financial statements for the financial year ended 31 December 2016.

Deloitte audited, *inter alia*, the consolidated annual financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2016.

Sustainability report

In 2017, the Board of Directors of the Issuer reviewed and approved for the first time the 2016 sustainability report.

Recent Developments

Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi

Overview

On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi (the "**2017 ISP Agreement**"). The 2017 ISP Agreement will lead to the interruption of joint control in such companies – governed by the 2013 Investment Agreement and the 2013 Shareholders' Agreement – and to the SIAS Group focusing on its investments in TEM and TE.

As at the date of this Base Prospectus, the details of the investments held, directly and indirectly, in each of TEM, TE, AL and BreBeMi by the SIAS Group and ISP are as follows:

- TEM: the SIAS Group and ISP hold in aggregate 57.52 per cent. of TEM's share capital, of which 39.99 per cent. is held by the SIAS Group and 17.53 per cent. by ISP; AL holds a 4.70 per cent. equity interest and ITINERA a 1.56 per cent. equity interest, which is expected to be transferred to SIAS by 31 December 2017 pursuant to the framework agreement entered into on 24 October 2017 between SIAS and ITINERA (for further information, see "*– Framework agreement for the acquisition of holdings in TE, TEM and AT-CN*", below);

- TE: the SIAS Group and ISP hold in aggregate 11.04 per cent. of TE's share capital, of which 8.46 per cent. is held by the SIAS Group and 2.58 per cent. by ISP, TEM holds a 47.66 per cent. equity interest, AL holds a 3.18 per cent. equity interest and ITINERA holds a 10.23 per cent. holding, which is expected to be transferred to SIAS by 31 December 2017 pursuant to the framework agreement entered into on 24 October 2017 between SIAS and ITINERA (for further information, see "*– Framework agreement for the acquisition of holdings in TE, TEM and AT-CN*", below); in addition, ITINERA has undertaken to acquire 1.47 per cent. of the share capital currently held by certain cooperatives and by the CTE Consortium upon the final inspection of the works;

- AL: the SIAS Group and ISP hold in aggregate 55.79 per cent. of AL's share capital, of which 13.34 per cent. is held by the SIAS Group and 42.45 per cent. by ISP;

- BreBeMi: ISP holds 0.05 per cent. of BreBeMi's share capital, AL holds a 78.98 per cent. equity interest and ITINERA a 2.71 per cent. equity interest.

Main provisions of the 2017 ISP Agreement

The 2017 ISP Agreement provides that:

(i) the SIAS Group will purchase the economic interests (investments, receivables and commitments) held by ISP in TEM / TE, in aggregate equal to approximately Euro 73.6 million (of which Euro 50.6 million for investments (fixed, unchangeable amount determined conventionally), Euro 14.8 million for receivables and Euro 8.2 million for commitments, plus interest that will accrue on receivables up to the date of termination of the Usufructs Rights (as defined below)); and

(ii) ISP will purchase the economic interests (investments, receivables and commitments) held by the SIAS Group in AL / BreBeMi, in aggregate equal to approximately Euro 80.7 million (of which Euro 62.4 million for investments (fixed, unchangeable amount determined conventionally), Euro 15.5 million for receivables and Euro 2.8 million for commitments, plus interest that will accrue on receivables up to the date of termination of the Usufructs Rights (as defined below)).

In such context, for the purpose of defining the ownership of the above mentioned investments:

(a) the SIAS Group granted AL with an option right for the disposal of the interests (investments, receivables and commitments) held by the latter in TEM / TE, in aggregate equal to approximately Euro 37.6 million (of which Euro 25.2 million for investments (fixed, unchangeable amount determined conventionally), Euro 7.9 million for receivables and Euro 4.5 million for commitments, plus interest that will accrue on receivables up to the date of execution); and

(b) AL granted ITINERA with an option right for the disposal of the interests (investments, receivables and commitments) held by the latter in BreBeMi, in aggregate equal to approximately Euro 11.4 million (of which Euro 9 million for the investments, a fixed, unchangeable amount determined conventionally, and Euro 2.4 million for receivables and commitments, plus interests that will accrue on the receivables up to the execution date).

The execution of such transactions will involve net expenses for the SIAS Group of Euro 20.6 million and commitments and guarantees for Euro 9.9 million.

The 2017 ISP Agreement further provides that, concurrently with the transfer of the equity interests, the parties shall create mutual usufruct rights over the holdings in AL and TEM / TE so transferred until 31 December 2018 (the "**Usufruct Rights**").

After the execution of the 2017 ISP Agreement, certain shareholders of TEM exercised their pre-emptive rights.

Conditions precedent

The disposal of the above equity interests is subject to, *inter alia*, (i) the authorisation from CAL, as granting authority and (if any) from the MIT; (ii) the clearance from the Italian Competition Authority; and (iii) the authorisation / waiver from the lending banks. As at the date of this Base Prospectus, the clearance from the Italian Competition Authority has been obtained. The other conditions precedent are expected to be satisfied by 31 December 2017.

Governance rules

Until the termination of the Usufruct Rights, the governance rules set out in 2013 Shareholders' Agreement will continue to apply. In this regard, the 2013 Shareholders' Agreement governing, among other things, the joint control of TEM, TE, AL and BreBeMi by the SIAS Group and ISP, provides that:

(i) the SIAS Group (together with ITINERA with respect to TE) is entitled (a) to appoint 50 per cent. of the members of the Boards of Directors of each of TEM and TE and 2 directors in each of AL and BreBeMi and (b) to designate the Chief Executive Officer of each of such companies;

(ii) with respect to certain resolutions concerning TEM, TE, AL and BreBeMi (i.e., transactions of an extraordinary nature or exceeding certain amounts) the parties to the 2013 Shareholders' Agreement shall do whatever is reasonably in their power to have the relevant proposals approved with the

favourable vote of (a) the SIAS Group and ISP, when the decision falls within the shareholders' meeting powers and (b) all the directors designated by the SIAS Group and ISP, respectively, when the decision falls within the Board of Directors' powers.

In the event that by 31 December 2017 the disposal of TEM / TE shares and AL shares has not been completed, the above governance rules shall apply until 25 November 2018, being the natural expiry date of the 2013 Investment Agreement and the 2013 Shareholders' Agreement, without prejudice to the SIAS Group's right to appoint the Chief Executive Officer of each of AL and BreBeMi, which shall cease with effect from 31 March 2018.

Payment of consideration

The consideration due for the sale of the aforementioned shares and receivables shall be paid by the fifteenth business day following the date of termination of the Usufruct Rights.

The 2017 ISP Agreement also provided that (i) ISP be allowed to withhold the amounts (equal to Euro 7 million) due to the SIAS Group for the purchase of the AL shares in the event that as at the Usufructs Rights termination date the construction of the A35-BreBeMi motorway interconnection junction with the A4-Brescia Padova motorway was not completed; and (ii) ISP shall release the amount referred to under (i) above on the date of opening of such interconnection junction or should it not be opened by 31 December 2018, such amount shall be retained by ISP, for a sum of Euro 250,000.00 for every month or portion of month of delay. On 13 November 2017, the A35-A4 interconnection was completed and opened to traffic and as at the date of this Base Prospectus, the procedure for the release of the sum referred to under (i) above has not been commenced yet.

Search for potential investment partners in TEM / TE

Upon termination of the Usufruct Rights, the execution of the 2016 ISP Agreement will result in the SIAS Group controlling TEM (with a 62.22 per cent. direct holding) and TE (with a direct and indirect, through TEM, 61.88 per cent. holding). SIAS expects to start discussions with potential partners in order to achieve, through the disposal of shares and/or governance agreements, a situation of joint control of the investment in TEM / TE similar to the one currently in place with ISP. In this connection, on 6 December 2017, SIAS and SATAP entered in to an agreement with Impresa Pizzarotti & C. S.p.A. ("**Impresa Pizzarotti**") pursuant to which each of TEM and TE will result under the joint control of the SIAS Group and Impresa Pizzarotti (for further information, see "*– Agreement with Impresa Pizzarotti pursuant to which TEM and TE will result under the joint control of the SIAS Group and Impresa Pizzarotti*", below).

ADF, CISA, SALT, ATS and SAV entered into the additional deeds to the respective concession agreement

On 8 September 2017, ADF, CISA (currently SALT), SALT, ATS (currently ADF) and SAV signed with the MIT the additional deeds to their existing Single Concessions (as defined in "*Regulatory*", below) (collectively, the "**2017 Additional Deeds**").

The 2017 Additional Deeds regulate, for such Italian Motorway Subsidiaries, the five-year regulatory period that began in 2014, and define the FPs and the rate of return (WACC) for the same five-year-period, on the basis of the recently published CIPE resolutions.

The 2017 Additional Deeds shall be approved by a Ministerial Decree to be issued by the MIT in agreement with the MEF and will become effective after the registration of the relevant approval decree by the Italian State Auditors' Department (*Corte dei Conti*) and the subsequent communication of such decrees to the relevant Italian Motorway Subsidiaries (for further information, see "*– Regulatory – Regulatory Framework – Single Concession(s)*", below).

As provided by the relevant Interministerial Decrees issued on 30 December 2016 in respect of tariff increase for 2017, the 2017 Additional Deeds regulate the recovery of lower toll income due to the delayed approval of the companies' updated FPs by the MIT.

Reorganisation of certain companies of the Group

In the second half of 2017, certain companies of the Group operating in synergic businesses completed the reorganisation process started in the second half of 2016, with the aim of achieving industrial and corporate integration.

Merger between CISA and SALT

On 24 and 26 October 2016, respectively, the Boards of Directors of CISA and SALT examined and approved the project for the merger by way of incorporation of CISA into SALT pursuant to Article 2505-*bis* of the Italian Civil Code (the "**SALT/CISA Merger**"). On 12 and 15 December 2016, the respective extraordinary shareholders' meeting of CISA and SALT approved the project for the SALT/CISA Merger. Following the MIT clearance and SALT and CISA's assumption of the obligations to which the MIT clearance was subject, the relevant merger deed was entered into on 10 October 2017. The SALT/CISA Merger became effective on 1 November 2017 (the "**SALT/CISA Merger Effective Date**") while for accounting and tax purposes it is effective as of 1 January 2017.

Pursuant to the terms of the project for the SALT/CISA Merger (i) 96,429,085 CISA's shares with a nominal value of Euro 0.50 each held by SALT have been cancelled; (ii) SALT has issued 300,938 ordinary shares bearing the same rights as SALT's shares outstanding prior to the SALT/CISA Merger Effective Date, with a nominal value of Euro 1.00 each assigned to CISA's shareholders other than SALT on the basis of an exchange ratio of 0.472 SALT shares for each CISA shares; and (iii) SALT has established a secondary office (*sede secondaria*) at Ponte Taro, in the Municipality of Noceto (Parma) (*i.e.*, the registered office of CISA prior to the SALT/CISA Merger Effective Date).

With effect from the SALT/CISA Merger Effective Date, SALT took over all CISA's assets, liabilities, claims, rights and obligations including the (Former) CISA Motorway Concession.

Merger between ATS and ADF

On 15 September and 20 September 2016, respectively, the Boards of Directors of ATS and ADF approved the project for the merger by way of incorporation of ATS into ADF pursuant to Article 2505 of the Italian Civil Code (the "**ADF/ATS Merger**"). On 21 and 22 November 2016, the respective extraordinary shareholders' meeting of ATS and ADF approved the ADF/ATS Merger plan. Following the MIT clearance and ADF and ATS's assumption of the obligations to which the MIT clearance was subject to, the relevant merger deed was entered into on 21 September 2017. The ADF/ATS Merger became effective on 1 November 2017 (the "**ADF/ATS Merger Effective Date**") while for accounting and tax purposes it is effective as of 1 January 2017.

Pursuant to the terms of the ADF/ATS Merger plan: (i) considering that the entire share capital of ATS was held by ADF, all ATS shares have been cancelled; (ii) ADF has moved its registered office from Via Don Minzoni 7, 17100 Savona, Italy to Via della Repubblica 46, 18100 Imperia, Italy and has established a secondary office (*sede secondaria*) at Via Bonzanigo 22, 10144 Turin, Italy.

With effect from the ADF/ATS Merger Effective Date, ADF took over all ATS's assets, liabilities, claims, rights and obligations, including the (Former) ATS Motorway Concession.

Framework agreement for the acquisition of holdings in TE, TEM and AT-CN

On 24 October 2017, SIAS and ITINERA entered into a framework agreement (the "**SIAS/ITINERA Framework Agreement**") for the acquisition by SIAS of ITINERA's holding in TE and TEM. Pursuant to the terms of the SIAS/ITINERA Framework Agreement, ITINERA has also granted to SIAS a call option for the purchase of AT-CN shares held by ITINERA. The overall consideration for such transactions is equal to Euro 61.2 million.

For further information, see the related party information document prepared in accordance with article 5 of the Regulation approved by Consob with Resolution No. 17221 of 12 March 2010, as amended, relating to the purchase by SIAS of equity investments in TE, TEM and AT-CN, incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*").

Potential cross-financing procedure

As at the date of this Base Prospectus, discussions are pending with the MIT for the possible extension by approximately 4 years of the concession for the management of the A4 Turin-Milan motorway – currently managed by SATAP – and the alignment of the tenor of the AT-CN Italian Motorway Concession to the tenor of the A4 Turin-Milan motorway as so extended in exchange for the assumption by SATAP of the obligations to finance the works to complete the close motorway infrastructure relating to the AT-CN stretch.

This cross-financing procedure is subject to the European Union competent authorities' approval. For further information, see the press release headed "*Board of Directors approves the additional periodic financial reporting as at 30 September 2017. Interim dividend 2017 of Eur 0.15 per share for a total of Eur 34.1 million (+7.14%)*", incorporated by reference into this Base Prospectus (see "*Information Incorporated by Reference*").

Interim results as at and for the nine months ended 30 September 2017

On 13 November 2016, the Board of Directors of the Issuer approved the additional periodic financial information as at 30 September 2017.

For further information, see the press release headed "*Board of Directors approves the additional periodic financial reporting as at 30 September 2017. Interim dividend 2017 of Eur 0.15 per share for a total of Eur 34.1 million (+7.14%)*", incorporated by reference into this Base Prospectus (see "*Information Incorporated by Reference*").

Distribution of an interim dividend for 2017

On 13 November 2017, the Board of Directors of SIAS resolved to distribute a Euro 0.15 per share interim dividend for 2017 for an aggregate amount of approximately Euro 31.4 million. Such interim dividend will be paid starting from 6 December 2017.

Approval of the sustainability plan

On 13 November 2017, the Board of Directors of the Issuer reviewed and approved the sustainability plan for the 2017-2021 period. Such plan describes the commitments made on sustainability issues in terms of feasible actions and tangible results. In addition, it identifies medium to long-term objectives consistent with the Group's values and the Strategic Plan.

Disposal of all the holdings in companies operating in the car parking sector

On 29 November 2017, SIAS Parking completed the process for the disposal of its holdings in (i) Fiera Parking S.p.A., the company that holds the concession for the management of the Rho-Pero carparks at the new Fiera di Milano, under an agreement signed in 2003 with Fondazione Fiera Milano ("**Fiera Parking**"); (ii) Parcheggi Piazza Meda S.r.l. and Parcheggio Via Manunzio S.r.l. in Milan; (iii) Parcheggio Piazza Vittorio S.r.l. in Turin; and (iv) Parcheggio Piazza Trento e Trieste S.r.l. in Monza, for a total consideration of Euro 61.5 million.

In particular, Sias Parking sold its 99 per cent. holding in Fiera Parking to Fondazione Ente Autonomo Fiera Internazionale di Milano for a consideration of Euro 32 million.

The 50 per cent. equity interests held in each of Parcheggi Piazza Meda S.r.l., Parcheggio Via Manunzio S.r.l., Parcheggio Piazza Vittorio S.r.l. and Parcheggio Piazza Trento e Trieste S.r.l. were sold to Parcheggi Italia S.p.A. for a consideration of Euro 29.5 million.

The of the holdings in the companies operating in the parking sector, acquired in November 2014 for a total consideration of Euro 32.7 million, gives full implementation to the Strategic Plan, which is increasingly focused both domestically and internationally on the core business of motorway concessions and the disposal of non-strategic assets.

Agreement with Impresa Pizzarotti pursuant to which TEM and TE will result under the joint control of the SIAS Group and Impresa Pizzarotti

On 6 December 2017, SIAS and SATAP, on one side, and Impresa Pizzarotti, on the other side, entered into an agreement pursuant to which each of TEM and TE will result under the joint control of the SIAS Group and Impresa Pizzarotti (the "**Pizzarotti Agreement**").

The Pizzarotti Agreement, which follows the 2017 ISP Agreement (for further information, see "*– Agreement with ISP relating to the holdings in TEM, TE, AL and BreBeMi*", above) and the SIAS/ITINERA Framework Agreement (for further information, see "*– Framework agreement for the acquisition of holdings in TE, TEM and AT-CN*", above), envisages:

(i) (a) the sale by SATAP to Impresa Pizzarotti of the bare ownership (*nuda proprietà*) over maximum No. 23,829,354 TEM shares, representing 8.11 per cent. of its share capital, for a consideration of approximately Euro 17.9 million and at the same time (b) SIAS retaining the usufruct right (*usufrutto*) over the TEM shares transferred to Impresa Pizzarotti until 31 December 2018;

(ii) (a) the sale by Impresa Pizzarotti to SATAP of the bare ownership (*nuda proprietà*) over maximum No. 17,872,016 TE shares, representing 3.84 per cent. of its share capital, for a consideration of approximately Euro 17.9 million and at the same time (b) Impresa Pizzarotti retaining the usufruct right (*usufrutto*) over the TE shares transferred to the SIAS Group until 31 December 2018; and

(iii) the execution by the SIAS Group and Impresa Pizzarotti – provided that the other shareholders of TEM do not exercise their pre-emptive right – of a five year shareholders' agreement, effective as of 1 January 2019, that will govern, *inter alia*, the transfer of the parties' stakes in TEM and TE and the corporate governance for such companies (the "**Envisaged Pizzarotti/SIAS Shareholders' Agreement**".

As a result of these transactions, the SIAS Group will hold 50 per cent. of TEM and around 28.30 per cent. of TE.

The Envisaged Pizzarotti/SIAS Shareholders' Agreement is expected to provide that:

(a) (i) the SIAS Group be entitled to appoint 50 per cent. of the members of the Boards of Directors of each of TEM and TE and to designate the Chief Executive Officer of each of such companies; and (ii) Impresa Pizzarotti be entitled to designate the Chairman of the Boards Of Directors of each of such companies; and

(b) with respect to certain resolutions concerning TEM, TE, AL and BreBeMi (i.e., transactions of an extraordinary nature or exceeding certain amounts) the parties to such shareholders' agreement shall (i) ensure that these resolutions are adopted with the favourable vote of the SIAS Group and Impresa Pizzarotti when the relevant decision falls within the shareholders' meeting powers; and (ii) do whatever is reasonably in their power to have them approved with the favourable vote of at least two of the directors designated respectively by SIAS the Group and Impresa Pizzarotti, when the relevant decision falls within the Board of Directors' powers.

The completion of the transactions envisaged under the Pizzarotti Agreement is subject to the execution of the 2017 ISP Agreement, as well as (i) clearance form the grantor; (ii) the authorisations/waivers from the lending banks; and (iii) clearance from the Italian Competition Authority by 31 May 2018.

For further information, see the press release headed "*Agreement signed with Impresa Pizzarotti on share sales and governance agreements that will result in joint control of Tangenziale Esterna di Milano*", incorporated by reference in this Base Prospectus.

CAPITALISATION

The following table sets out the capitalisation on a consolidated basis of SIAS as at 31 December 2016 and as at 30 June 2017. This information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of SIAS as at and for the year ended 31 December 2016 and the unaudited consolidated financial statements of SIAS as at and for the six-months ended 30 June 2017, which are incorporated by reference into this Base Prospectus. See also "*Information Incorporated by Reference*".

	Audited
	As at 31 December 2016
	(€ in thousands)
Cash, cash equivalents and financial receivables[(1)]	(1,205,872)
Current financial liabilities	736,846
Total	(469,026)
Non-current financial liabilities (a)	2,008,882
Equity (b)	
(i) attributable to non-controlling interests	236,402
(ii) attributable to owners of the parent	1,918,778
of which:	
Issued capital	*113,768*
Reserves and retained earnings	*1,643,053*
Profit (loss) for the period after interim dividends (where applicable)	*161,957*
Total (b)	2,155,180
Total capitalisation (a+b)	4,164,062

	Unaudited
	As at 30 June 2017
	(€ in thousands)
Cash, cash equivalents and financial receivables[(1)]	(939,043)
Current financial liabilities	358,209
Total	(580,834)
Non-current financial liabilities (a)	1,987,812
Equity (b)	
(i) attributable to non-controlling interests	252,434
(ii) attributable to owners of the parent	1,947,028
of which:	
Issued capital	*113,771*
Reserves and retained earnings	*1,754,078*
Profit (loss) for the period after interim dividends (where applicable)	*79,179*
Total (b)	2,199,462
Total capitalisation (a+b)	4,187,274

1. *Financial receivables includes current financial receivables and insurance policies (which are included within other non-current financial assets on the balance sheet). The insurance policies represent a temporary investment of excess liquidity and expire beyond one year; however, the agreements include an option of which allows for the investment to be converted in cash in the short term.*

There has been no material change in the capitalisation of the SIAS Group since 30 June 2017.

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of certain financial information of SIAS derived from the audited consolidated annual financial statements of SIAS as at and for the years ended 31 December 2016 and 31 December 2015 and the unaudited condensed consolidated half-yearly financial statements of SIAS as at and for the six-month period ended 30 June 2017 in each case prepared in accordance with IFRS. The consolidated financial statements for the years ended 31 December 2016 and 31 December 2015, together with the audit reports of Deloitte & Touche S.p.A. thereon and the accompanying notes and the unaudited condensed consolidated half-yearly financial statements of SIAS as at and for the six-months ended 30 June 2017 are incorporated by reference into this Base Prospectus.

The principles of consolidation and valuation criteria applied in preparing the consolidated semi-annual financial statements as at and for the six-months ended 30 June 2017 are the same as those used for the preparation of the consolidated financial statements as at and for the years ended 31 December 2016 and 31 December 2015. For further information, see "*Principles of consolidation and valuation criteria*" of the consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2016 and of the condensed consolidated half-yearly financial statements of the Issuer as at and for the six-months ended 30 June 2017, each incorporated by reference in this Base Prospectus. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See also "*Information Incorporated by Reference*".

Consolidated income statement

	Audited		Unaudited	
	Year ended 31 December		Six months ended 30 June	
	2015	2016	2016*	2017
	(€ in thousands)			
Revenues				
Motorway sector, of which:				
Toll revenues and royalties from service areas	1,046,763	1,081,205	512,584	536,749
Planning and construction	208,390	175,222	83,782	89,501
Construction and planning sector	1,577	1,048	658	-
Technology sector	67,095	38,986	20,479	20,669
Car parking sector	6,368	3,087	-	-
Other	52,475	46,598	21,143	22,289
Total revenues	**1,382,668**	**1,346,146**	**638,646**	**669,208**
Payroll costs	(156,878)	(162,658)	(81,665)	(83,038)
Costs for services	(402,558)	(364,289)	(164,966)	(191,487)
Costs for raw materials	(52,476)	(36,739)	(20,054)	(13,215)
Other costs	(120,548)	(122,141)	(58,612)	(58,976)
Capitalisation costs on fixed assets	1,547	1,119	430	151
Amortisation, depreciation and write-downs	(292,566)	(318,171)	(149,340)	(140,844)
Update of the provision for restoration, replacement, and maintenance of non-compensated revertible assets	400	14,419	3,554	5,717
Other provisions for risks and charges	(2,727)	(2,435)	(1,761)	(39,116)
Financial income				
- from unconsolidated investments	4,647	585	490	6,646
- other	23,773	20,530	8,836	6,932
Financial charges				
- interest expense	(96,581)	(91,913)	(46,313)	(42,779)
- other charges	(5,938)	(4,059)	(1,953)	(1,575)
- write-down of equity investments	(2,633)	(5,162)	(5,161)	(771)
Profit (Loss) of companies accounted for by the equity method	(1,342)	2,925	4,949	5,359
Profit (Loss) before taxes	**278,788**	**278,157**	**127,080**	**122,212**
Taxes				
Current taxes	(100,325)	(99,810)	(38,898)	(40,803)
Deferred taxes	4,158	6,034	(2,086)	7,701
Profit (Loss) for the year for continued operation	**182,621**	**184,381**	**86,096**	**89,110**
Profit (Loss) for assets held for sale net of taxes (Discontinued Operation)	-	-	962	348
Profit (Loss) for the period	**182,621**	**184,381**	**87,058**	**89,458**
- minority interests' share (Continued Operation)	21,931	22,424	10,011	10,276
- Group share (Continued Operation)	**160,690**	**161,957**	**76,085**	**78,834**
- minority interests' share (Discontinued Operation)	-	-	10	3
- Group share (Discontinued Operation)	**-**	**-**	**952**	**345**

(*)The comparative data at 30 June 2016 have been restated as a result of the classification pursuant to IFRS 5 of the assets and liabilities of Fiera Parking S.p.A. at 30 June 2017 following the sale programme started in the half-year period by its parent company SIAS Parking S.r.l.

Consolidated comprehensive income statement

	Audited		Unaudited	
	Year ended 31 December		Six months ended 30 June	
	2015	2016	2016*	2017
	(€ in thousands)			
Profit for the period (a)	**182,621**	**184,381**	**87,058**	**89,458**
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity)	1,032	(1,446)	(2,569)	-
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity) – companies valued with the "equity method"	55	22	(43)	-
Tax effect on profit (loss) that will not subsequently reclassified in the Income Statement	(260)	372	617	-
Profit (loss) that will not be subsequently reclassified in the Income Statement (b)	**827**	**(1,052)**	**(1,995)**	**-**
Profit (loss) posted to "reserves for revaluation to fair value" (financial assets available for sale)	(5,783)	741	(3,603)	(4,575)
Profit (loss) posted to "reserve for cash flow hedge" (interest rate swap)	28,458	11,688	(28,594)	23,743
Profit (loss) posted to "reserve for cash flow hedge" (foreign exchange hedge)	-	14,963	14,852	(683)
Portion of other profit / (loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	44	39,958	29,346	(24,771)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(10,185)	(4,760)	2,354	(3,935)
Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)	**12,534**	**62,590**	**14,355**	**(10,221)**
Profit (loss) of "asset held for sale" (Discontinued Operation) posted to "reserve for cash flow hedge" (interest rate swap)	-	-	-	440
Profit (loss) of "asset held for sale" (Discontinued Operation) that will be subsequently reclassified in the Income Statement when certain condition are met (interest rate swap) (d)	**-**	**-**	**-**	**440**
Comprehensive income (a) + (b) + (c) + (d)	**195,983**	**245,919**	**99,418**	**79,677**
• Portion assigned to minority interests (Continued Operation)	*22,165*	22,460	*10,007*	10,440
• **Portion assigned to the parent company's shareholders (Continued Operation)**	***173,818***	**223,459**	***88,449***	**68,449**
• Portion assigned to minority interests (Discontinued Operation)	**-**	**-**	*10*	*7*
• **Portion assigned to the parent company's shareholders (Discontinued Operation)**	**-**	**-**	***952***	***781***

(*)The comparative data at 30 June 2016 have been restated as a result of the classification pursuant to IFRS 5 of the assets and liabilities of Fiera Parking S.p.A. at 30 June 2017 following the sale programme started in the half-year period by its parent company SIAS Parking S.r.l.

Consolidated balance sheet

	Audited		Unaudited
	As at 31 December		As at 30 June
	2015	2016	2017
		(€ in thousands)	
Assets			
Non-current assets			
Intangible assets	3,264,982	3,149,541	3,100,355
Property, plant, machinery and other assets	62,592	60,737	58,685
Financial lease assets	2,669	2,157	2,103
Equity investments accounted for by the equity method	425,131	691,042	671,021
Unconsolidated investments available for sale	105,603	101,647	93,543
Receivables	153,652	159,049	133,160
Other	238,068	226,648	200,135
Deferred tax assets	132,652	142,970	151,123
Total non-current assets	**4,385,349**	**4,533,791**	**4,410,125**
Current assets			
Inventories	31,091	22,007	24,973
Trade receivables	84,637	68,852	57,793
Current tax assets	17,094	16,884	15,794
Other receivables	39,222	34,576	50,048
Assets held for trading	-	-	-
Assets availables for sale	-	-	-
Financial receivables	242,127	232,232	277,018
Cash and cash equivalents	953,990	757,514	472,918
Subtotal current assets	**1,368,161**	**1,132,065**	**898,544**
Discontinued operations/Non-current assets held for sale	-	-	70,383
Subtotal current assets	**1,368,161**	**1,132,065**	**968,927**
Total assets	**5,753,510**	**5,665,856**	**5,379,052**

	Audited		Unaudited
	As at 31 December		As at 30 June
	2015	2016	2017
		(€ in thousands)	
Shareholders' Equity and liabilities			
Shareholders' Equity			
Group shareholders' equity			
- share capital	113,754	113,768	113,771
- reserves and retained earnings	1,651,818	1,805,010	1,833,257
Total Group Shareholders' Equity	1,765,572	1,918,778	1,947,028
Minority interests	249,612	236,402	252,434
Total Group Shareholders' Equity	**2,015,184**	**2,155,180**	**2,199,462**
Liabilities			
Non-current liabilities			
Provisions for risks and charges and severance indemnities	227,761	215,306	235,734
Trade payables	-	-	-
Other payables	244,533	213,336	205,069
Bank debt	1,208,745	927,183	924,766
Hedging derivatives	107,018	87,466	68,239
Other financial liabilities	1,319,406	994,233	994,807
Deferred tax liabilities	57,341	62,796	63,652
Total non-current liabilities	**3,164,804**	**2,500,320**	**2,492,267**
Current liabilities			
Trade payables	164,312	142,880	141,647
Other payables	129,792	111,187	106,589
Bank debt	194,296	350,349	301,455
Other financial liabilities	46,264	386,497	56,754
Current tax liabilities	38,858	19,443	39,870
Subtotal current liabilities	**573,522**	**1,010,356**	**646,315**
Liabilities directly related to Discontinued operations/Non–current assets to be discontinued	-	-	41,008
Total current liabilities	**573,522**	**1,010,356**	**687,323**
Total liabilities	**3,738,326**	**3,510,676**	**3,179,590**
Total Shareholders' Equity and liabilities	**5,753,510**	**5,665,856**	**5,379,052**

Consolidated net financial position

	Audited As at 31 December 2016	Unaudited As at 30 June 2017
	(€ in thousands)	
Cash and cash equivalents	757,514	472,918
Securities held for trading	-	-
Liquidity	**757,514**	**472,918**
Financial receivables[(1)]	**448,358**	**466,125**
Bank short-term borrowings	(24,932)	-
Current portion of medium/long-term borrowings	(325,417)	(301,455)
Other financial liabilities	(386,497)	(56,754)
Short-term borrowings	**(736,846)**	**(358,209)**
Current net cash	**469,026**	**580,834**
Bank long-term borrowings	(927,183)	(924,766)
Hedging derivatives	(87,466)	(68,239)
Bonds issued	(992,744)	(993,392)
Other long-term payables	(1,489)	(1,415)
Long-term borrowings	**(2,008,882)**	**(1,987,812)**
Net financial indebtedness	**(1,539,856)**	**(1,406,978)**
Non current financial receivables due from the Granting Body for minimum guaranteed amounts[(2)]	49,787	2,360
Discounted value of the payable due to ANAS-Central Insurance Fund	(158,073)	(162,964)
"Adjusted" net financial indebtedness	**(1,648,142)**	**(1,567,582)**

The unaudited consolidated intermediate reports of SIAS have been prepared pursuant to art, 154-ter, paragraph 5 of Legislative Decree 58 of February 24, 1998, as amended by Legislative Decree 195 of November 6, 2007.

1. *Includes current financial receivables and insurance policies, which are included within other non-current financial assets on the balance sheet. The insurance policies represent a temporary investment of excess liquidity and expire beyond one year, however, the agreements include an option which allows for the investment to be converted in cash in the short term.*
2. *Represents, in accordance with IFRIC 12, the present value of the medium and long-term portion of the minimum cash flows guaranteed by the Granting Body.*

REGULATORY

The SIAS Group's core business is heavily regulated under EU and Italian law and this may affect the SIAS 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 SIAS Group and of the impact they may have on the SIAS Group and any investment in the Notes and should not rely on this summary only.

Introduction

The Italian motorway sector is governed by a series of laws, ministerial decrees and resolutions of the Italian Interministerial Committee for Economic Planning ("**CIPE**"), as well as by generally applicable laws and special legislation, including environmental laws and regulations. In turn, such laws must comply with, and are subject to, EU laws and regulations applicable either during the award/renewal phase of the concessions or during the life of the concessions. Italian Motorway concessionaires must operate within this regulatory framework and in compliance with the provisions of the relevant concession agreements entered into with ANAS or the MIT, as the case may be (see "*– Reorganisation of ANAS*", below).

Reorganisation of ANAS

Article 36 of Law Decree No. 98 of 6 July 2011 ("**Law Decree 98/2011**"), converted into law with amendments by Law No. 111 of 15 July 2011, and subsequent pieces of legislation provided for the reorganisation of ANAS. As of 1 October 2012, the activities and functions previously falling within the competences of ANAS have been transferred to the MIT. As a consequence, with effect from 1 October 2012, the MIT has stepped into the motorway concessions (including, without limitation, the Motorway Concessions) in force as at that date as grantor. Accordingly, all rights, powers and obligations arising from the concessions (originally entered into with ANAS as grantor) were transferred to the MIT.

As a result of such reorganisation process, the competences of ANAS will be basically limited to the construction and management of road and state motorway infrastructures.

In order to manage the new tasks transferred to it, the MIT set up an internal body named "*Direzione generale per la Vigilanza sulle concessionarie Autostradali*" entrusted (by Ministerial Decree No. 341 of 1 October 2012) with all the functions transferred to the MIT under Article 36, Paragraph 2 of Law Decree 98/2011.

Article 25, paragraph 4, of Law Decree 69/2013 (converted into Law 98/2013), provided, *inter alia*, *that* the MIT will take on debts and receivables relating to the functions transferred to it under Article 36, Paragraph 2 of Law Decree 98/2011 and Article 11, Paragraph 5, of Law Decree 216/2011 (converted with amendments into Law 214/2012) as well as any possible litigation as of 1 October 2012. Therefore, the MIT's step-in (i) does not refer to rights and obligations that have arisen pursuant to the motorway concessions before 1 October 2012 (so called *ex nunc* effectiveness) and (ii) does not affect the judicial proceedings commenced by (or against) ANAS before such date.

New Regulatory Authority in the infrastructure and transport sectors

In the context of the reorganisation of ANAS summarised above, without prejudice to the competences of the MIT and of other public authorities (such as the National Anticorruption Authority, ANAC, which has replaced the Authority for the Vigilance on the Public Contracts, Antitrust Authority) in infrastructures and transport sector, Article 37 of Law Decree 201/2011 (converted, with amendments, into Law 214/2011) set up a new governmental body operating in the sector of infrastructures and transport (the so called *Autorità di Regolazione dei Trasporti*, "**Regulatory Authority**").

The Regulatory Authority is entrusted, *inter alia*, with regulatory and inspection powers also in the motorway sector. In particular, the Regulatory Authority is entitled to: (i) fix, for new concessions, tariff systems based on the price cap mechanism by defining the X parameter (so called productivity factor) every 5 years; (ii) define the concession agreement schemes to be attached to the call for tender and the schemes of the call

for tenders to be awarded by the concessionaires; and (iii) define the optimal ambit for the management of the motorway sections.

The Regulatory Authority started its activity on 17 September 2013.

Regulatory Framework – Single Concession(s)

Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended (as so amended, "**Law Decree 262/2006**") established a new regime for motorway concessions.

Law Decree 262/2006 provided that each motorway concessionaire shall enter into a comprehensive new single concession agreement (each a "**Single Concession**") including both the conditions of the previous concession agreements in force at that time and the new specific binding provisions set forth by Law Decree 262/2006. In respect of timing, all motorway concessionaires are required to enter into the Single Concessions when the first update to the relevant concession's financial plan (such financial plan, the "**FP**") or the first revision of the relevant concession agreement is requested.

General

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

(i) for the rate to be used in calculating annual tariff adjustments based on traffic and cost trends and the concessionaire's efficiency and service quality;

(ii) for the allocation to the grantor of a percentage of the profits generated by the commercial use of motorway areas;

(iii) for the recognition of tariff adjustments in return for investments included in the investment plan only after the related investments have been verified by the grantor of the concession to have been effectively carried out;

(iv) for the definition by the grantor of general levels of quality standards, as well as more specific standards regarding individual services provided by concessionaires;

(v) for the definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;

(vi) that concessionaires must meet the capital adequacy requirements set forth in the relevant concession;

(vii) that concessionaires must have their financial statements audited; and

(viii) for a system of sanctions and penalties in the event of material breach of obligations arising from the Single Concessions.

CIPE issued a directive in July 2013 ("**Directive 30/2013**") that sets out the capital adequacy requirements of the motorway concessionaires companies applicable to new concessions whose award / notice are published following its entry into force.

"Standard" approval process

Pursuant to Law Decree 262/2006, each scheme of Single Concession (as agreed between the grantor and the relevant concessionaire) is (i) subject to a technical opinion given by the *Nucleo di consulenza per l'Attuazione delle linee guida sulla regolazione dei Servizi di pubblica utilità* ("**NARS**") and (ii) then examined by the CIPE. Afterwards, such scheme, together with the CIPE's remarks, shall be submitted to the relevant Parliamentary Commissions for the relevant advice.

Following the advice of the competent Parliamentary Commissions, the scheme of the Single Concession shall be approved by a Ministerial Decree to be issued by the MIT in agreement with the MEF. Such Ministerial Decree is required to be registered, after a legitimacy control (*controllo di legittimità*), by the Italian State Auditors' Department (*Corte dei Conti*). The Single Concession will become effective after the registration of

the relevant approval decree by the Italian State Auditors' Department and the subsequent communication of such decree to the relevant concessionaire.

Each Single Concession, once it has become effective, replaces and supersedes the preceding agreements entered into between the grantor and the relevant concessionaire.

Derogation to the "standard" approval process

Law No. 101 of 6 June 2008 ("**Law 101/2008**") and Law No. 191 of 23 December 2009 ("**Law 191/2009**") provided for a derogation from the "standard" approval process of the Single Concessions. In particular:

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

- Without prejudice to the concession schemes already approved by Law 101/2008, Article 2, paragraph 202, of Law 191/2009 provides for the approval by law of all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at 31 December 2009, *provided that* (i) the CIPE issues a positive opinion, whether or not subject to prescriptions, on such schemes, and (ii) such schemes are modified according to the CIPE's prescriptions. Subsequently, Law Decree No. 78 of 31 May 2010 (converted into law, with amendments, by Law No. 122 of 30 July 2010) ("**Law Decree 78/2010**") amended, in turn, the relevant provisions of Law 191/2009, by replacing the date of 31 December 2009 with the date 31 July 2010. As a result of this amendment, all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at 31 July 2010 are approved by law, provided that (i) the CIPE issued a positive opinion, whether or not subject to prescriptions, on such schemes, and (ii) such schemes are modified according to the CIPE's prescriptions.

For the purposes of the effectiveness of the schemes of Single Concession approved by Law 191/2009 and Law Decree 78/2010, the issuance and the registration of a ministerial decree is no longer required, provided that such schemes are modified by the grantor and the relevant concessionaire according to the CIPE's prescriptions.

Before the implementation of the CIPE's prescriptions – which may significantly impact the terms and conditions of the relevant Single Concession – the CIPE approval resolutions are required to be registered by the Italian State Auditors' Department and published in the Italian Official Gazette.

Should the concessionaires not implement the CIPE's prescriptions, the Single Concessions shall be regarded as "not approved" and shall be required to follow the steps of the standard approval procedure set by Law Decree 262/2006. (See "*– Single Concession(s) – "Standard" approval process*", above).

Each Single Concession, once it has become effective, replaces and supersedes the preceding agreements entered into between the grantor and the relevant concessionaire.

Legislative Decree No. 50/2016 and provisions impacting motorway concessionaires

Starting from 19 April 2016 the legal framework governing the concessions and public contracts has been significantly reformed. By means of Legislative Decree No. 50/2016 the Italian Government has adopted the new code of public contracts, implementing European Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, concerning the award of concession and public contracts as well as the awarding procedure by entities operating in the water, energy, transport and postal services sectors (as amended, including by Legislative Decree No. 56/2017, the "**Public Contracts Code**").

The Public Contracts Code – which replaces Legislative Decree No. 163/2006 – is effective from its publication in the Italian Gazette (i.e., 19 April 2016).

In general terms, the Public Contracts Code has significantly changed the regime of the concessions, affecting the revision of the financial and economic plans, the risk allocation between grantor and concessionaire, early

termination events and termination payments, step-in-right, conditions for contractual changes, variations and additional works, regime of works, services and supplies subcontracted by the concessionaires, designs etc.

Notwithstanding the above, Article 216, paragraph 1, of the Public Contracts Code provided a specific provisional regime whereby, without prejudice to the provisions under Article 216 or to specific provisions set forth under the Public Contracts Code, the latter shall apply:

(i) to tenders and contracts whose calls for tender or tender notice have been published after its entry into force (i.e. 19 April 2016); or

(ii) in case of contracts awarded without any publication of call for tender or public notice, to the tenders and contracts in relation to which invitations to submit bids have not been sent to the candidates at the date of entry into force of the Public Contracts Code,

Therefore, based on this provisional regime, the Public Contracts Code shall not apply to existing concessions at the date of entry into force of the Public Contracts Code save for specific provisions stating their applicability to concession agreements existing at the date of entry into force of the Public Contracts Code.

Article 177 of the Public Contracts Code – directly applicable to concessions in force as at 19 April 2016 – introduced provisions increasing the percentages of works, services and supplies to be awarded to third parties by the concessionaires compared to the percentages provided under Article 256, paragraph 25, of Legislative Decree No. 163/2006 (as amended by articles 51, par. 1, of Legislative Decree No. 1/2012 and 4, par. 1, lett. a) of Legislative Decree No. 83/2012 converted into Law no. 134/2012).

In particular, Article 177 of the Code states the obligation of any private concessionaires to award to third parties, through public tender procedure, a percentage equal to 80 per cent. of the works, services and supply contracts related to concessions having a value equal to or exceeding €150,000. The remaining quota of 20 per cent. may be awarded by private concessionaires to directly or indirectly controlled or affiliated companies or to operators selected through simplified competitive procedures. The Anticorruption Authority ("**ANAC**") is entitled to verify annually that the concessionaires comply with the above mentioned percentages according to procedures to be defined through specific guidelines. In case of repeated imbalance found by ANAC, specific penalties may be applied by ANAC. The concessionaires shall implement the provisions under Article 177 within a transitional period (24 months from the entry into force of the Public Contracts Code).

Although Article 177 is applicable to concessions in force at the date of 19 April 2016, the relevant provisions are not applicable to concessions formerly awarded through the project financing formula or through public competitive procedures compliant with the European laws and regulations.

Moreover, Article 178 of the Public Contracts Code introduced (i) an *interim* regime of the motorway concessions close to expiration intended to prohibit the extension of the term of concessions and (ii) specific provisions for new concessions to be awarded.

In case of motorway concessions expiring within 24 months from the entry into force of the Public Contracts Code, the grantor shall call the competitive procedures for the award of the new concessions at least 24 months before the expiry date of the concessions in force and, in any case, as soon as possible so to ensure continuity between concession regimes. Should said competitive procedures not be completed within the expiry date of the concessions in force, the outgoing concessionaires shall continue to operate (so called *amministrazione ordinaria*) the motorway until the transfer of the operation to the incoming concessionaires at the conditions set forth under the concession agreements in force. However, Article 178 also provides that, at the expiration of the concession in force, the grantor may decide to operate the motorway in-house pursuant to article 5 of the Public Contracts Code. Furthermore, according to Article 178, paragraph 8, the grantor may request to the Regulatory Authority a prior opinion on the scheme of the concessions to be awarded. In relation to the new concessions to be awarded, Article 178 provides, *inter alia*, that:

(i) the competitive procedures for the award of the new motorway concessions should comply with Part III of the Public Contracts Code;

(ii) the motorway concessions cannot be granted through a project finance procedure provided for in Article 183 of Public Contracts Code;

(iii) public-private-partnerships (where concessions are included) generally funded through availability fee (*canone di dispobilità*) may be used for any type of concession including motorway concessions. With respect to the latter, by derogation from the ordinary rule, as provided for in Article 178 of the Public Contracts Code, traffic risk should be allocated on the grantor;

(iv) motorway concessions relating to highways concerning one or more regions may be granted by the MIT to in-house companies owned by others public administrations specifically set up for these purposes. In this case, the MIT can exercise a control, similar to that it exercises over its own departments, on the aforementioned in-house companies through a committee governed by a special agreement pursuant to Article 15 of Law No. 241/1990. Such committee exercises on the in-house company the powers envisaged in Article 5 of Public Contracts Code;

(v) the operational risk set forth in Article 3, paragraph.1, lett. zz) of the Public Contracts Code shall include the "traffic risk" which, except for PPP referred to under (iii) above, is borne by the concessionaire; and

(vi) the outgoing concessionaire will be entitled to receive from the incoming concessionaire a compensation for the investments made and not amortized yet equal to the cost effectively borne, net of amortization, of the reversible assets (*beni reversibili*) resulting from the balance sheet at the date of the year of expiration of the concession, taking into account the variations occurred for regulatory purposes.

Single Concessions of the Italian Motorway Subsidiaries

The following table lists the concessions held by the Italian Motorway Subsidiaries, specifying the expiry date of each concession.

Concession Holder	Concession/Motorway	Current Expiry Date
SATAP	A4 Turin – Milan	31/12/2026
	A21 Turin-Alessandria-Piacenza	30/06/2017[(1)]
SAV	A5 Quincinetto-Aosta, Racc. A5-SS27 del G. S. Bernardo	31/12/2032
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia	31/07/2019
	A15 Parma-La Spezia	31/12/2031
ADF	A10 Savona-Ventimiglia	30/11/2021
	A6 Turin - Savona	31/12/2038
AT-CN	A33 Asti-Cuneo	[(2)]
Autovia Padana	A21 Piacenza - Cremona - Brescia	[(3)]

[(1)] Upon MIT request, SATAP manages the A21 Turin-Alessandria-Piacenza motorway under a *prorogatio* regime. For further information, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*" above.

[(2)] The relevant Concession has a duration of 23 years and 6 months following the date on which the construction works have been completed in full (see however "*Description of the Issuer – Recent Developments – Potential cross-financing procedure*" for further information on the potential reduction of the tenor of such Italian Motorway Concession in case of successful completion of the cross-financing procedure described therein).

[(3)] Autovia Padana will manage the A21 Piacenza - Cremona - Brescia motorway section with effect from the relevant Single Concession effective date. For further information, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*" above.

The Group's motorway concessions are governed by Single Concessions entered into between the relevant concessionaire and the grantor. In particular:

- The Single Concession of SATAP was signed on 10 October 2007 and approved by Law No. 101 of 6 June 2008; such Single Concession is effective from 8 June 2008. On 18 March 2011, SATAP entered into a separate additional deed to the Single Concession with ANAS (now, the MIT) related to both the A4 and A21 motorway sections (the "**First Additional Deed**") for the definition of the financial reliance requirements to be complied with in accordance with Article 11, Paragraph 5, lett. b) of Law No. 498/92 (Annexes N). According to the First Additional Deed, SATAP must comply, at the end of each financial year (*esercizio*), with the following ratio: cash flow available for debt service/debt service must be higher than 1.2:1. On 27 December 2013, SATAP and the *Struttura di*

Vigilanza sulle concessionarie Autostradali of the MIT entered into a second additional deed to the Single Concession signed with respect to the A4 motorway section only. In addition, the Interministerial Decree dated 30 December 2013 approved the FP for the second regulatory period (2013 – 2017) to be attached to the second additional deed and was registered with the Italian State Auditors' Department (*Corte dei Conti*) on 23 May 2014. SIAS was notified of such registration on 26 June 2014.

- ATS (ADF, with effect from the ADF/ATS Merger Effective Date (for further information, see "*Description of the Issuer – Recent Developments*", above)) and ANAS entered into the relevant Single Concession on 18 November 2009 which was approved by Law No. 191/2009 and became effective on 22 December 2010 when ATS (currently ADF) and ANAS implemented CIPE Resolution No. 21/2010 (published in the Italian Official Gazette of 6 October 2010) by means of the relevant "*Atto di Recepimento*". On 8 September 2017, ATS (currently ADF) entered into the additional deed to the Single Concession which, as at the date of this Base Prospectus, is not effective yet (for further information, see "*Description of the Issuer – Recent Developments – ADF, CISA, SALT, ATS and SAV entered into the additional deeds to the respective concession agreement*", above).

- The Single Concessions of ADF, SALT and SAV (each entered into on 2 September 2009) were approved by Law 191/2009. Such Single Concessions became effective as of 12 November 2010 (the date on which such Italian Motorway Subsidiaries and ANAS entered into separate deeds, so-called "*Atti di Recepimento*" (Rep. No. 91996/22499, 91997/22500 and 91995/22498), implementing the provisions of CIPE resolutions No. 18/2010, No. 16/2010 and No. 17/2010 published in the Official Gazette on 2 October 2010 No. 231, 6 October 2010 No. 234 and 4 October 2010 No. 232, respectively). On 22 December 2010, the MIT acknowledged that the CIPE provisions were duly implemented. On 8 September 2017, each of ADF, SALT and SAV entered into the additional deeds to the respective Single Concession, which, as at the date of this Base Prospectus, are not effective yet (for further information, see "*Description of the Issuer – Recent Developments – ADF, CISA, SALT, ATS and SAV entered into the additional deeds to the respective concession agreement*", above).

- CISA (SALT, with effect from the SALT/CISA Merger Effective Date (for further information, see "*Description of the Issuer – Recent Developments*")) and ANAS have entered into the relevant Single Concession on 3 March 2010. Such Single Concession was approved by Law Decree 78/2010 and is effective as of 12 November 2010 (date on which CISA (currently SALT) and ANAS entered into the "*Atto di Recepimento*" of the provisions of CIPE Resolution No. 26/2010 published in the Italian Official Gazette of 15 October 2010). On 22 December 2010, the MIT acknowledged that the CIPE provisions were duly implemented. On 8 September 2017, CISA (currently SALT) entered into the additional deed to the Single Concession which, as at the date of this Base Prospectus, is not effective yet (for further information, see "*Description of the Issuer – Recent Developments – ADF, CISA, SALT, ATS and SAV entered into the additional deeds to the respective concession agreement*" above).

- The Single Concession of AT-CN was approved through the ordinary procedure provided for by Law Decree 262/2006.

- With regard to the Single Concession of Autovia Padana, on 13 June 2014, the MIT published a call for tender concerning the concession for the design, construction and management of the A21 Piacenza-Cremona-Brescia motorway and the extension to Fiorenzuola d'Arda (PC) pursuant to Article 143 of Legislative Decree No.163/2006. The concession agreement scheme was approved by Article 5, Paragraph 4 of Law Decree No. 133/2014, converted, with amendments, by Law No. 164 of 11 November 2014 in accordance with an opinion regarding specific elements of the A21 motorway issued by NARS on 7 August 2014. On 31 May 2017, Autovia Padana and the MIT entered into the Single Concession for the design, construction and management of the A21 Piacenza – Cremona – Brescia motorway section, which was approved by Interministerial Decree No. 453 dated 5 October 2017. For further information, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activity – Società di Progetto Autovia Padana S.p.A.*", above.

The key terms of Single Concessions of the Italian Motorway Subsidiaries are summarised under "- *Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries*", below.

Adjustment and revision of the motorway concessions and the related schemes/agreements

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

- the adjustments and the revisions of the motorway concessions in force as at 6 December 2011 relating to changes to the investment plan or regulatory aspects aimed at safeguarding the public accounts shall be subject to the prior opinion of the CIPE (to be delivered within 30 days) and shall be approved by ministerial decree (MIT, in agreement with the MEF, agreement that shall be issued within 30 days from the sending of the concession agreement by the grantor);

- the adjustments and the revisions of the motorway concessions in force as at 6 December 2011 not relating to the changes described above shall be approved by ministerial decree (MIT, in agreement with the MEF, agreement that shall be issued within 30 days from the sending of the concession agreement by the grantor) and do not require the prior opinion of the CIPE;

- the adjustments and the revisions reflected into schemes of additional deeds already subjected to the CIPE's opinion as at 6 December 2011 shall be only approved by ministerial decree (MIT in agreement with the MEF, agree that it shall be issued within 30 days from the sending of the concession agreement by the grantor) and do not require a further CIPE's opinion.

Accordingly, Article 43, Paragraph 4, of Law Decree 201/2011 abrogated the provisions set forth by Article 8-*duodecies*, Paragraph 2, last section, of Law Decree 59/2008 and Article 21, Paragraph 4, of Law Decree 355/2003[6].

Update of the FPs

By resolution No. 27 of 21 March 2013 ("**Resolution 27/2013**") the CIPE has adopted a 'technical document' setting the (economic) criteria and procedures for the five-yearly adjustments of the FPs[7] with reference to both concessionaires which requested the "re-adjustment" of the FP and those which have requested the "confirmation" of the relevant FP. In accordance with applicable law provisions, the relevant adjustments shall be carried out by 30 June of the first financial year (*esercizio*) of the new regulatory period.

The five-year regulatory period of ADF, ATS (currently ADF), SAV, SALT and CISA (currently SALT) expired on 31 December 2013. As a consequence thereof, all such companies submitted to the MIT the respective FPs by 30 June 2015 in accordance with Resolution 27/2013. Each of ADF, ATS (currently ADF), SAV, SALT and CISA (currently SALT) entered into the additional deeds to the respective Single Concessions to which the FPs for the 2014-2018 regulatory period was attached. As at the date of this Base Prospectus, such additional deed are not effective yet (for further information, see "*Description of the Issuer – Recent Developments – ADF, CISA, SALT, ATS and SAV entered into the additional deeds to the respective concession agreement*", above).

The five-year regulatory period of SATAP expired on 31 December 2012. With respect to the A4 section, the financial plan for the second regulatory period (2013 – 2017) attached to the second additional deed was approved by Interministerial Decree dated 30 December 2013. See "*– Single Concession(s) – Single Concessions of the Italian Motorway Subsidiaries*" above.

Furthermore, as at the date of this Base Prospectus, discussions are pending with the MIT for the possible extension by approximately 4 years of the concession for the management of the A4 Turin-Milan motorway –

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[6] Article 8-*duodecies*, Paragraph 2, last section, of Law Decree 59/2008 provided that any changes or integrations of the Single Concessions following their entrance into full force and effect shall be subject to the ordinary approval procedure set forth by Law Decree 262/2006 while Article 21, Paragraph 4, of Law Decree 355/2003 provided that any change of the concessions in force, even deriving from variations of the investment plan and the X parameter of the tariff adjustment are approved by decree of the MIT in agreement with the MEF.

[7] Pursuant to Directive 39/07, the financial plan contained in the concession agreements must be updated every five years (each five-year period is referred to as a "regulatory period").

currently managed by SATAP – and the alignment of the tenor of the AT-CN Italian Motorway Concession to the tenor of the A4 Turin-Milan motorway as so extended in exchange for the assumption by SATAP of the obligations to finance the works to complete the close motorway infrastructure relating to the AT-CN stretch. This cross-financing procedure is subject to the European Union competent authorities' approval.

Mechanism and procedure for the annual adjustment of the Tariffs

Tariffs formula adjustments

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

According to the provisions of Directive 39/07, the new tariff formula, defined according to the price cap method, results to be the following: **ΔT= ΔP — X + K**

where:

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

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

Further information for determining motorway tariffs are provided in the technical document attached to Resolution 27/2013. For further information, see "- *Update of the FP*", above.

Amendments to the Tariffs formula adjustments

The procedure for the annual tariff adjustment regulated by Article 21, Paragraph 5, of Law Decree No. 355 of 24 December 2003 was amended by Article 27 of Law Decree No. 69 of 21 June 2013 in order to comply with the occurred substitution of the MIT, as grantor, in the Single Concessions (for further information, see "*– Introduction – Reorganisation of ANAS*", above).

According to the new procedure, the tariff adjustment proposal will no longer be subject to both ANAS and MIT approval. In particular:

(i) by 15 October of each year the concessionaires must provide only the grantor (*i.e.*, the MIT) with a proposal of tariff adjustment based on the formulas provided by the Single Concessions as well as the value of the K factor (*i.e.*, the tariff component, as defined above, representing the investments carried out by the motorway concessionaire) to be remunerated through the tariff formula and the X factor relating to each additional intervention;

(ii) by 15 December the MIT, in agreement with the MEF, shall approve or reject the tariff proposal by means of a reasoned decree. The rejection of the tariff proposal may concern only irregularities of the values included in the tariff formula and material breaches of the obligations set forth by the Concession agreement and contested by the grantor[8] by June 30 of the previous year.

(iii) in the event the tariff proposal is approved, the annual tariff increases become effective by 1 January of the following year.

Italian Motorway Subsidiaries – Tariffs formula adjustments for 2017

Based on the applicable legislation, the SIAS Group's proposal for the annual tariff adjustment for 2017 was filed with the grantor by 15 October 2016.

Tariff increases effective from 1 January 2017 in accordance with the relevant Interministerial Decrees issued by MIT on 30 December 2016 are set out under "*Description of the Issuer – Other information on Italian Motorway Activities – Tariffs*", above.

Italian Motorway Subsidiaries – Tariffs formula adjustments for 2018

Based on current legislation, the SIAS Group's proposal for the annual tariff adjustment for 2018 was filed with the grantor by 13 October 2017. In particular:

- SATAP (i) has filed its toll adjustment request for the A4 section on the basis of the FP approved in December 2013 and (ii) has submitted the toll adjustment request for the A21 stretch on the basis of the FP in force as at the expiry date of the relevant Italian Motorway Concession (*i.e.*, 30 June 2017); and

- ADF, ATS (currently ADF), SAV, SALT and CISA (currently SALT) have filed their toll adjustment requests for 2018 on the basis of their respective FPs for the new regulatory period submitted in June 2015 and attached to the additional deed signed on 8 September 2017.

The above tariff increases have been adjusted to (i) take into account the actual investments made as at September 2017 and (ii) recover the lower tariff increases awarded in the previous years.

Concession Fees and Surcharges

Pursuant to Article 1, Paragraph 1020, of Law No. 296 of 27 December 2006 ("**Law 296/2006**") the motorway concessionaires must pay to the grantor, as of 1 January 2007, a concession fee equal to 2.4 per cent of the net revenues of toll fees[9].

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

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

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

[8] It must be noted that Article 21, Paragraph 5, of Law Decree No. 355 of 24 December 2003 makes reference to material breaches of the contractual obligations challenged "by the concessionaire", but it is reasonable to deem that such contestation shall come by the grantor.

[9] Currently, a percentage of 42% is destined to ANAS. Pursuant to Article. 1, paragraph 362, of Legislative Decree No. 90/2014, starting from 2017 such percentage will be reduced to 21%.

(b) Euro 0.002 per kilometre for vehicles in classes A and B and Euro 0.006 per kilometre for vehicles in classes 3,4 and 5 starting from 1 January 2011.

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

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

Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries

The Single Concessions awarded to SATAP, ATS (currently ADF), SAV, SALT, ADF, CISA (currently SALT), AT-CN and Autovia Padana (the "**Italian Motorway Concessionaires**") contain a set of key common provisions concerning, *inter alia*, (i) the list of the obligations to be fulfilled by the Italian Motorway Concessionaires; (ii) the procedures for the approval of any changes of the Italian Motorway Concessionaire's share capital; (iii) the sanctions and penalties applicable by the grantor (originally being ANAS and as at the date hereof the MIT) in the event of material breach of obligations undertaken by the Italian Motorway Concessionaires; (iv) the concession fees due to the grantor for the possession of the motorway infrastructures; (v) the specific formulas and procedures for the annual tariff adjustment; (vi) the procedure applicable in case of early termination of the Single Concessions and the compensation to which the Italian Motorway Concessionaires are entitled; (vii) the procedure for the revision of the financial plan; and (viii) the award of the sub-concessions.

(a) **Italian Motorway Subsidiaries Obligations**

The Italian Motorway Concessionaires' main obligations include, *inter alia*, the duty to:

(i) manage and maintain the motorway infrastructure;

(ii) organise, maintain and promote motorist assistance services;

(iii) design and carry out the works provided in each Single Concession;

(iv) annually provide the grantor with the plan for the ordinary maintenance activities of the motorway infrastructure, to be carried out over the next year;

(v) provide the grantor, for its approval, with the plans for the extra-ordinary maintenance activity of the motorway infrastructures (*i.e.* any and all maintenance services not included in the ordinary maintenance services under (iv) above);

(vi) submit to the grantor the final and executive projects of the works provided in the Single Concessions for the relevant approval;

(vii) keep detailed financial accounts, including traffic data, for each section of the motorway;

(viii) provide the grantor quarterly with specific and detailed accounting reports to allow it to carry out its regulatory activity in accordance with CIPE resolution No. 39 of 15 June 2007;

(ix) have the financial accounts audited by an auditing firm to be selected in compliance with the applicable laws;

(x) assign any works, services and supply in accordance with any applicable laws and regulations;

(xi) submit the public notice relating to the competitive tender procedure called for the award to third parties of the works provided for in each Single Concession to the grantor;

(xii) request and obtain any guarantee and insurance required by the Public Contracts Code;

(xiii) provide and maintain in its by-laws (a) appropriate provisions to avoid any conflict of interests of the relevant directors, and (b) integrity and professional requirements of the

directors — and, for at least some of them, also independence requirements – pursuant to Article 2387 of the Italian Civil Code;

(xiv) maintain in its by-laws provisions pursuant to which (a) the Chairman of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the Italian Ministry of Economy and Finance and (b) a member of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the grantor;

(xv) register in a specific reserve fund (*Fondo rischi ed oneri*) the amounts deriving from the benefit from the delay or default in the realisation of the planned new investments[10]; and

(xvi) meet specific capital adequacy requirements indicated in the relevant Single Concessions.

In addition to the obligations set out under items (i) to (xvi) above (excluding items (xi) and (xv) above) Autovia Padana's main obligations include, *inter alia*, the duty to:

(i) assign any works, services and supply to third parties in accordance with any applicable laws and regulations and, in case of award to third parties of the Lot 2 Works (as defined below), the relevant agreements shall provide for the concessionaire's right of withdrawal in the event that, *inter alia*, the concessionaire does not raise funds needed for the realisation of the Lot 2 works within the first regulatory period;

(ii) require the MIT to nominate commission related to the competitive tender procedure called for the award to third parties, without prejudice to the powers of ANAC;

(iii) submit to the Supreme Counsel of Public Works (*Consiglio Superiore dei Lavori Pubblici*), for its technical and economic evaluation, the works' projects in the cases provided for by Ministerial Decree No. 399/2009;

(iv) require to CIPE the Unique Project's Code ("**CUP**") for each intervention;

(v) comply with the provision of Law No.136/2010;

(vi) draft and yearly update the *Carta dei Servizi* (service charter), specifying the details of the quality standards for each relevant service, as provided by applicable laws. Its results shall be submitted every year to the grantor;

(vii) hand over, upon expiry of the concession, the motorway together with all the appurtenances (*pertinenze*) in good state of maintenance taking into account the normal wear of the motorway.

(b) **Extraordinary Transactions and change of control clauses**

The Single Concessions provide that any transaction involving the merger, demerger, transfer of business, transfer of the headquarter, liquidation and changes in the corporate objects as well as any transfer of the controlling shareholdings of the Italian Motorway Concessionaires or disposal of real estate reversible assets construed (*beni immobili reversibili accatastati*) by any Italian Motorway Subsidiary shall be previously authorised by the grantor.

Should the Italian Motorway Concessionaire carry out any of the above mentioned transactions without the relevant prior authorisation by the grantor, the relevant Single Concessions could be subject to the early termination procedure.

(c) **Penalties and sanctions**

The Italian Motorway Concessionaires may be required by the grantor to pay penalties and sanctions in case of material breach or default of certain specified obligations arising from the Single Concessions.

[10] According to the principle of "economic neutrality" (*neutralità economica*) the recovery of the amounts related to investments planned and not executed is carried out so that the relevant Italian Motorway Concessionaire cannot receive any economic or financial benefit from the failure or the delay in the realisation of such investments.

Penalties range from a minimum amount of Euro 10,000 up to a maximum amount of Euro 1 million and the highest penalty applies in case of breach of the obligation to provide the motorist assistance service.

Sanctions range from a minimum amount of Euro 25,000 up to a maximum amount of Euro 5 million and the highest sanction applies in case of breach of the obligation to seek the previous authorisation of the grantor to execute any transaction set forth under letter b) above. The maximum amount of sanctions in any reference year of the Single Concession cannot exceed 10 per cent. of revenues for that year, up to a maximum of Euro 150 million.

Should the maximum amount of the sanctions applicable in each reference year be exceeded for two consecutive years, the Single Concession could be subject to the early termination procedure.

With reference to the Autovia Padana, by way of a non exhaustive listing, a penalty shall be applied in case of any delay in the activities of design provided by the Single Concession or works, as established in the timeline approved by the grantor. In the latter case, the grantor may apply a penalty equal to Euro 25,000 for every month of delay (rounded down) concerning the starting and the completion of the interventions, unless the delay arises from a cause not attributable to the concessionaire or depends on any fact relating to a third party. In the event of (i) application of ten penalties in the maximum amount; or (ii) delay in payment of penalties greater than 20 days, the Single Concession could be subject to the early termination procedure.

Sanctions shall be applied according to the provisions of Law No. 689/1981 and their range start from a minimum amount of Euro 25,000 up to a maximum amount of Euro 150 million.

(d) **Concession Fees**

Under the Single Concessions, the Italian Motorway Concessionaires are required to pay to the grantor an annual fee equal to 2.4 per cent. of the net toll revenues for the occupation of the motorway infrastructure.

The concession fee shall be further integrated with a surcharge to be paid by the Italian Motorway Concessionaire to the grantor in compliance with Law 102/2009. For further details, see "*Regulatory – Concession Fees and Surcharges*", above.

In addition to the above, the Italian Motorway Concessionaires are required to pay to the grantor a percentage ranging from 5 per cent and 20 per cent (as the case may be) of the revenues deriving from any sub-concessions or sub-contracts awarded for the refuelling and catering activities[11] including fees related to the commercial use of the telecommunications networks.

(e) **Expiration or Early Termination of Single Concessions**

Expiration of the Single Concessions

Upon the expiration date of each Single Concession, the relevant Italian Motorway Concessionaire is required to transfer the motorways and related infrastructure to the grantor without any compensation due to it and in a good state of repair. In any event, each Italian Motorway Concessionaire shall continue to manage the motorway infrastructure granted by virtue of the Single Concession until the succession by the new incoming concessionaire selected through competitive procedures.

With regard to SALT, the relevant Single Concession for the management of the A12 motorway provides for the right of the Italian Motorway Concessionaire to receive an indemnity fee pursuant to Ministerial Directive No. 283/1998, for any works executed and not yet amortised as at the expiry date of the relevant Single Concession (equal to Euro 287.160 million)[12]; such indemnity fee shall be paid entirely by the new incoming concessionaire within 120 days from the expiry date of the relevant Single Concession. In case of delay in the payment of the indemnity fee, starting from the 121st day from the expiry date of the relevant Single Concession, the incoming concessionaire shall pay interest

[11] Pursuant to Article 13 of the AT-CN Single Convention, the percentage of the revenues deriving from any sub-concessions to be paid by the Italian Motorway Concessionaire amounts to 90 per cent.

[12] The information related to the indemnity fee due to SALT results from the ANAS Report dated 13 February 2010.

at the relevant interest rate of the European Central Bank (ECB) plus 1.0 per cent. for each year. Should the succession of the incoming concessionaire not become effective within 24 months from the expiry date of the Single Concession, the grantor shall take over in the relevant Single Concession in lieu of the outgoing Italian Motorway Concessionaire and shall pay the above mentioned indemnity fee to SALT.

With reference to Autovia Padana. the relevant Single Concession provides that the termination of the Single Concession will become effective upon payment of an indemnity fee to the concessionaire calculated referring to: (a) the value of the realised works, comprehensive of additional charges, less any amortisation, in conformity with the provisions of any applicable laws and regulations; (b) the possible costs related to the early termination of the financing contracts and relative additional charges.

Early termination due to the acts of the Italian Motorway Concessionaires

Each Single Concession sets out specific procedures for the early termination of the Concession in case of material (and not remedied) breach by the relevant Italian Motorway Concessionaire of the obligations arising from each Single Concession.

In case of material breach by the Italian Motorway Concessionaire of any of the obligations set forth in the relevant Single Concession, the grantor shall deliver to the relevant Italian Motorway Concessionaire a notice requiring it to remedy such breach within a specified and reasonable timeframe or to provide the grantor with the reasons for the breach.

Should the unfulfilled obligations not be performed by the Italian Motorway Concessionaire within the timeframe fixed by the grantor or the reasons provided to the grantor in relation to such breach not be satisfactory, then the grantor may initiate the procedure to terminate the relevant Single Concession, which is as follows:

(i) the grantor shall notify the Italian Motorway Concessionaire of the breach of a specific contractual obligation and shall require the Italian Motorway Concessionaire to remedy the contested breach within a set time period, which cannot be less than 90 days from the notification. Within this timeframe, the Italian Motorway Concessionaire is entitled to submit defences and objections to support its own position to the grantor;

(ii) Should the obligations of the Italian Motorway Concessionaire not be fulfilled within the timeframe under point (i) above, or the defences submitted by the Italian Motorway Concessionaire be rejected by the grantor, this latter shall set a further timeframe, which cannot be less than 60 days, to allow the Italian Motorway Concessionaire to perform the unfulfilled obligations; and

(iii) in the event that the Italian Motorway Concessionaire does not remedy the contested breach within the timeframe provided in point (ii), within 90 days from the expiry of the timeframe under point (ii), the grantor may request that the Ministry of Infrastructure and Transport, jointly with the Ministry of Economy and Finance, issue a decree declaring the early termination of the relevant Single Concession. In such event, the Italian Motorway Concessionaire is obliged to continue managing the concession until such concession is transferred to a new incoming concessionaire.

Should the decree declaring the early termination of the Single Concession be adopted, the grantor will step into the role of the relevant Italian Motorway Concessionaire, undertaking all its obligations and benefits arising from the Single Concession.

The Italian Motorway Concessionaire (with the exception of Autovia Padana) is entitled to receive from the grantor an amount (a) determined in accordance with the provisions of the relevant Single Concessions; (b) reduced by 10 per cent by way of penalty plus any damages.

With regard to Autovia Padana, an indemnity will be due to the concessionaire – within 24 month from the date of resolution – and it will be calculated on:

(a) the value of the works realised plus additional charge (including the takes over costs) less any amortisation, according to any applicable law;

(b) in case of missed testing (*collaudo*) of the relevant motorway section, the effective costs incurred by the concessionaire.

Funding bodies may prevent the resolution of the Single Concession and consequently select a new concessionaire within 90 days from the receipt of the communication sent by the grantor, fulfilling the following conditions:

(i) the selected company will have technical and financial features in conformity with the provisions of the tender documentations and all related acts, taking into account the real and concrete situation of the project;

(ii) the breach of the concessionaire – which would have given rise to the early termination of the Single Concession – ceases within the abovementioned term.

In any event, the concessionaire may exercise the right of unjust enrichment (*indebito arricchimento*), if applicable.

Early Termination, revocation and withdrawal due to the grantor

In the event that the early termination of the Single Concessions is due to the breach by ANAS/MIT of any of its obligations, or should the Single Concessions be revoked by ANAS/MIT for reasons of public interest, the Italian Motorway Concessionaire is entitled to receive a compensation equal to (i) the value of the works executed, free from any amortisation cost, or – in the event that the works have not been tested (*collaudo*) – the costs borne by the Italian Motorway Concessionaire, (ii) the penalties and any other costs borne or to be borne due to the early termination, (iii) an indemnity fee, as compensation for the loss of income, equal to 10 per cent, (10.0%) of the value of the works still to be executed or of the portion of the service still to be carried out, appraised on the basis of the financial plan.

With regard to the Single Concessions of CISA (currently SALT), AT-CN, SATAP and Autovia Padana, the amounts so determined shall be applied in priority to satisfy the payment obligations undertaken by the Italian Motorway Concessionaires *vis-à-vis* any relevant lender and shall not be used until such payment obligations have been fully satisfied, without prejudice to any further amendment of the applicable laws and regulations. In any event, the early termination of the Single Concession shall become effective upon any and all payments related to the indemnity fees due to the Italian Motorway Concessionaires by the grantor being fully satisfied.

(f) **Financial Plan**

The financial plan attached to the Single Concessions is subject to revision/adjournment every five years according to the provisions of the CIPE Resolution No. 39/2007.

In addition, the grantor or the Italian Motorway Concessionaires are entitled to request, also in the course of each regulatory period, a revision of the Financial plan and the terms of the Single Concessions in case of a *force majeure* (or any extraordinary event) or (only with regard to the Italian Motorway Concessionaire) submission of a new investment plan which impacts the economic and financial balance of the Single Concessions. The specific procedures for the adjournment and the revision of the financial plan are detailed in the relevant Single Concessions.

When adjourning or reviewing the FP, the risk of construction is borne by the Italian Motorway Concessionaire once the final project of the works has been approved by the grantor, unless the increase of costs is due to *force majeure* or to facts dependent on third parties and out of the responsibility of the Italian Motorway Concessionaire.

(g) **Tariffs applied by the Italian Motorway Subsidiaries**

Annual tariff adjustment formula

The tariff annual adjustment, applicable from the 1st January of each year, is calculated in accordance with the following formulas:

Concession Holder	**Tariff Formula**
Companies which requested a "re-alignment" of the Financial Plan[1]	
SATAP (A4 and A21)	$\Delta T = \Delta P - Xr^4 + K \pm \beta\Delta Q$
Autovia Padana	$\Delta T = \Delta P - Xr^4 + K \pm \beta\Delta Q$
SAV[3]	ΔT = 70%*CPI (to be added to the factors Xr and K)
SALT (A15)[3]	ΔT = 70%*CPI (to be added to the factors Xr and K)
Companies which requested a "confirmation" of the Financial Plan[2]	
SALT (A12)[3]	ΔT = 70%*CPI + K
ADF (A10)[3]	ΔT = 70%*CPI + K
ADF (A6)[3]	ΔT = 70%*CPI + K

[1] *In consideration of these Italian Motorway Subsidiaries, CIPE Directive No. 39, 15 June 2007, applies only for investments performed on the "re-alignment" date and for "new" investments.*

[2] *In consideration of these Italian Motorway Subsidiaries, CIPE Directive No. 39, 15 June 2007, applies for "new" investments; for the investments confirmed in concession on the date of the Single Concessions, CIPE Resolution of 24 April 1996 ("Regulatory Guide Lines for services of common purposes") and 20 December 1996 ("Directives for the change of motorway tolls") apply.*

[3] *These Italian Motorway Subsidiaries, entering into the Single Concessions, requested the "simplified tariffs formula", which includes in the tariff a fixed percentage of the real inflation, equal to 70.0 per cent.*

[4] *Xr is a negative factor and as a consequence its inclusion in the formula causes an increase of the tariff.*

In this formula:

- **ΔT** is the annual percentage ratio of the tariff;
- **ΔP** is the annual rate of projected inflation in Italy established by the Government in its Economic and Financial Plan;
- **Xr** is the percentage coefficient of annual adjustment of the tariff determined at the beginning of any regulatory period (5 years) and unchanged during such period so that in the next regulatory period, without any further investments, the discounted value of the expected incomes shall be equal to the discounted value of the admitted costs, considering the increase in efficiency for the Italian Motorway Concessionaires and discounting the amounts at the fair remuneration rate;
- **K** is the annual percentage ratio of the tariffs determined every year in order to remunerate the investments performed during the previous year; therefore, it is calculated so that the discounted value of the increased incomes expected at the end of the regulatory period shall be equal to the discounted value of the increased admitted costs, discounting the amounts at the fair remuneration rate;
- **βΔQ** is the coefficient related to the quality factor connected with the *status* of road surface and the accident rate;
- **Xp** is the coefficient related to the productivity as determined by the grantor, according to the provisions of the relevant Single Concession; and
- **CPI** represents the actual rate of inflation for the previous twelve-month period from 1 July to 30 June as measured by Italian Institute of Statistics (*Istituto Nazionale di Statistica*, or ISTAT).

The procedure for the annual tariff adjustment is regulated by Article 21, paragraph 5, of Law Decree No. 355 of 24 December 2003 and described under "– *Mechanism and procedure for the annual adjustment of the Tariffs*" above.

(h) **Sub-concessions for Services on the Motorways**

Sub-concessions for carrying out food and beverage and mini-market and refuelling services in the motorway service areas are awarded to third parties through competitive procedures in compliance with the principles set forth by Article 11, paragraph *5-ter*, of Law No. 498/1992, as amended by Law 296/2006 and with any indication provided by the Antitrust Authority.

In order to guarantee an adequate level and regularity of the service, the candidates are selected based on their technical, organisational and economic skills. The bids are evaluated based on the efficiency, quality and diversity of services and investments consistently with the duration of the activities entrusted to them.

In addition to the requirements set out in the above paragraph, the Autovia Padana Single Concession provides that candidates shall be selected also on the basis of (i) the analysis of the offers taking mainly into account the technical and commercial project and (ii) contractual models aimed to guarantee competitiveness with particular regard to the quality, the availability of the service and the price of the products.

According to the sub-concessions, the sub-concessionaire is typically required to build the structures necessary to provide the service and, subsequently, to manage and maintain those services. Upon the expiration of the Single Concession the infrastructure built by the sub-concessionaires shall be transferred to the grantor in a good state and condition with no compensation due to the sub-concessionaire.

Under a sub-concession, the sub-concessionaire undertakes to pay to the relevant Italian Motorway Concessionaire a fixed amount plus a royalty based on the revenues generated from sales.

Official guidelines were adopted by the MIT, as required by the Ministry of Economic Development (the "**MED**"), on 13 March 2013 on the criteria for the award of sub-concessions for fuel distribution services and commercial/retail activities in service stations. Moreover, on 30 January 2015, additional official guidelines were issued by the MIT and the MED on how to support concessionaires in drafting plans for the general reorganization/rationalization of service stations located along motorways managed by them.

(i) ***Ad hoc* provisions of the Autovia Padana Single Concessions**

The subject matter of the concession of Autovia Padana is: (i) the management of the A21 Piacenza - Cremona - Brescia motorway section and the extension to Fiorenzuola d'Arda (PC); (ii) the final and executive design, the construction in compliance with the approved design and the management of the Lot 1 Works (as defined below); (iii) the design, realisation and management of the investments addressed to the extraordinary maintenance for the duration of the concession; and (iv) the construction and management of the Lot 2 Works (as defined below), provided that the concessionaire shall find the necessary funds to realise the works of Lot 2.

The "**Lot 1 Works**" refers to: (a) the motorway link between Ospitaletto-Montichiari; (b) interventions on road conditions to the A21 motorway in Piacenza; (c) Cremona orbital road: doubling of carriageway svp via Brescia; (d) variation of the SP ex SS 45-*bis* near the Municipality of Pontevico e Robecco d'Oglio (CR); (e) anti-noise barriers; and (f) adjustment interventions of the revenue collection systems provided under Directive 2011/76/EU.

The "**Lot 2 Works**" relates to: (a) the new tollgate of Castelvetro, motorway link with the SS 10 "Padana Inferiore" and finalisation of motorway ring-road between the SS 10 "Padana Inferiore" and the SS 234; and (b) adjustment interventions of the revenue collection systems provided for the Directive 2011/76/EU.

Pursuant to the Autovia Padana Single Concession, the concessionaire is obliged to raise funds needed for the realisation of the Lot 2 Works. In the event that the concessionaire does not perform the abovementioned obligation within the first regulatory period, it shall promptly notify to the grantor the lack of funding. From the latter communication, the Lot 2 Works will be considered excluded from the object of the Single Concession and any related obligations shall be extinguished.

If the concessionaire sends the abovementioned communication to the grantor, the procedure for update of the FP at the end of the first regulatory period will take into account the exclusion of Lot 2 Works.

In this case the grantor could eventually select a new incoming concessionaire to award both the concession relating to the A21 Piacenza -Cremona-Fiorenzuola d'Arda (PC) and the execution of Lot 2 Works within the second five-year regulatory period. If the grantor does not select any new concessionaires, Autovia Padana shall continue only the activities included in the Lot 1 Works and consequently the Single Concession shall be amended so as to include the FP that excludes the Lot 2 Works.

Recent events in the relationship between the MIT and certain Italian Motorway Subsidiaries

Alleged "material breach"

The MIT has alleged a "material breach" by certain Italian Motorway Subsidiaries of the relevant concession agreements due to their delay in implementing their investment plans. The relevant Italian Motorway Subsidiaries submitted the clarifications within the prescribed period and affirmed that the material breach alleged by the MIT was groundless. Considering the discussions subsequently held with the MIT, as at the date of this Base Prospectus, no sanctions are expected to be comminated.

Consequences of breaches

For information on (i) the sanctions which would apply if the relevant Italian Motorway Subsidiaries were found to be responsible for delays in performing their investment plans, see "*– Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries*" above and (ii) the impacts that the foregoing may have on future annual tariff adjustments, see "*– Mechanism and procedure for the annual adjustment of the Tariffs – Amendments to the Tariffs formula adjustments*" above).

TAXATION

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes.

This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.

This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length. Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Interest on the Notes

Notes qualifying as bonds or securities similar to bonds

Decree 239 regulates the income tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter, collectively, referred to as "**Interest**") from notes issued, *inter alia*, by Italian resident companies listed in an Italian regulated market, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect participation either in the management of the issuer or in the business in connection with which they have been issued, nor any control on such management.

Italian resident Noteholders

Where an Italian resident Noteholder, who is the beneficial owner of the Notes, is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, (iv) a non-commercial trust or (v) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a substitutive tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo*

termine) that meets the requirements set forth in article 1(100-114) of Law No. 232 of 11 December 2016 (the "**PIR**").

If the Notes are held by an investor engaged in a business activity and are effectively connected with the same business activity, the Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to the Decree 239, *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIMs**"), *società di gestione del risparmio* ("**SGRs**"), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Economy and Finance (the "**Intermediaries**").

An Intermediary must satisfy the following conditions:

(i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of 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

(ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with an Intermediary, *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called discretionary investment portfolio regime ("Risparmio Gestito" regime as defined and described in "*Capital Gains*", below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax at 26 per cent.

The *imposta sostitutiva* also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

(i) *Corporate investors* – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), generally applying at the current ordinary rate of 24 per cent; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9 per cent. (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates). IRAP rate can be increased by regional laws up to 0.92 per cent. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(ii) *Investment funds* – Italian investment funds (which includes *Fondo Comune d'Investimento*, SICAV or a SICAF to which the provisions of Article 9(2) of Legislative Decree No. 44 of 4 March 2014 apply), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the "**Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Proceeds payable by the Funds to their quotaholders are subject to a 26 per cent. withholding tax.

(iii) *Pension funds* – Pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") are subject to an 20 per cent. substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a PIR; and

(iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or to SICAF to which the provisions of Article 9(1) of Legislative Decree No. 44 of 4 March 2014 apply (the "**Real Estate Investment Funds**") are generally subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. Unitholders are generally subject to a 26 per cent. withholding tax on distributions from the Real Estate Funds. A direct imputation system ("tax transparency") may apply to certain non-qualifying unitholders (*e.g.* Italian resident individuals) holding more than 5 per cent. of the units of the Real Estate Fund.

Non-Italian resident Noteholders

An exemption from *imposta sostitutiva* on Interest on the Notes is provided with respect to certain beneficial owners resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who: (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy (as currently listed by Ministerial Decree dated 4 September 1996, as amended by Ministerial Decree of 23 April 2017 and possibly further amended by future decrees issued pursuant to Article 11 of Decree 239– a "**White List Country**"); or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a "**Qualified Noteholder**").

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

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

(b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the "**Second Level Bank**"). Organisations and companies non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, *provided that* they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for the Noteholders who are non-resident in Italy is conditional upon:

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

(b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December, 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set

up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorised to manage the official reserves of a State.

Additional requirements are provided for "institutional investors".

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Notes qualifying as atypical securities (titoli atipici)

Interest payments relating to Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) nor in the category of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*) are subject to a withholding tax levied at the rate of 26 per cent.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in PIR.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Investment Fund, (vii) a Pension Fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Where the Noteholder is (i) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, or (ii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In cases of non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Capital Gains

Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November, 1997 ("**Decree No. 461**") a 26 per cent. capital gains tax (the "**CGT**") is applicable to capital gains realised on any sale or transfer of the Notes for consideration by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy.

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

Taxpayers can opt for one of the three following regimes:

(a) Tax return regime ("***Regime della Dichiarazione***") – The Noteholder must assess the overall capital gains realised in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for either of the two other regimes;

(b) Non-discretionary investment portfolio regime ("***Risparmio Amministrato***") – The Noteholder may elect to pay the CGT separately on capital gains realised on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorised intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale or transfer of the Notes, as well as in respect of capital gains realised at the revocation of its mandate. The intermediary is required to pay the relevant amount to the Italian tax authorities by the 16th day of the second month following the month in which the CGT is applied, by deducting a corresponding amount from the proceeds to be credited to the Noteholder. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and

(c) Discretionary investment portfolio regime ("***Risparmio Gestito***") – If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realised, is subject to an ad-hoc 26 per cent. substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities may be exempt from any income taxation, including the CGT, on gains realized upon sale or transfer of the Notes if the Notes are included in PIR.

The aforementioned regime does not apply to the following subjects:

(A) *Corporate investors* – Capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains have also to be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years.

(B) *Funds* – Capital gains realised by the Funds on the Notes are subject neither to CGT nor to any other income tax in the hands of the Funds (see "*Italian Resident Noteholders*", above).

(C) *Pension Funds* – Capital gains realised by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 20 per cent. substitutive tax (see "*Italian Resident Noteholders*", above).

(D) *Real Estate Investment Funds* – Capital gains realised by Real Estate Investment Funds on the Notes are not taxable at the level of same Real Estate Investment Funds (see " – *Italian Resident Noteholders*", above).

Non Italian resident Noteholders

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market in Italy or abroad (*e.g.* the Irish Stock Exchange).

Should the Notes not be listed in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Decree 461, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realised upon sale or transfer of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realised upon any such sale or transfer.

Registration tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to a fixed registration tax (Euro 200); (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax only in "case of use" or voluntary registration at a fixed amount (Euro 200).

Stamp tax

A proportional stamp tax applies on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (*e.g.* investments in Pension Funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year.

The stamp tax applies at a rate of 0.2 per cent. The stamp tax cannot exceed euro 14,000 for taxpayers who are not individuals; this stamp tax is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Wealth tax on securities deposited abroad

Italian resident individuals holding the Notes outside the Italian territory shall be generally subject to tax on the value thereof (the so-called "**Ivafe**") at a rate of 0.20 per cent. Ivafe is due only in cases where the stamp tax described in the previous paragraph is not due.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the country where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Inheritance and gift tax

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

(a) 4 per cent. on the net asset value exceeding, for each person, euro 1 million, if the beneficiary (or donee) is the spouse or a direct ascendant or descendant;

(b) 6 per cent. on the net asset value exceeding, for each person, euro 100,000, if the beneficiary (or donee) is a brother or sister;

(c) 6 per cent. if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree; and

(d) 8 per cent. if the beneficiary is a person, other than those mentioned under (a), (b) and (c), above.

In case the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding euro 1.5 million.

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals resident in Italy who, during the fiscal year, hold investments abroad or have financial activities

abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

In relation to the Notes, such reporting obligation shall not apply if the Notes are not held abroad and, in any case, if the Notes are deposited with an Italian intermediary that intervenes in the collection of the relevant income and the intermediary applied withholding or substitute tax on income derived from the Notes.

US Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The Proposed European Union Financial Transactions Tax

On 14 February 2013, the European Commission published its detailed proposal for a common financial transaction tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "FTT Member States"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1 per cent. of the sale price on such transactions. However, the effective rate will be higher as each financial institution party is separately liable for the tax, so transactions between two financial parties will be taxed twice. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt, although there is some uncertainty as to the intended scope of this exemption.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the FTT Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a FTT Member State. A financial institution may be, or be deemed to be, "established" in a FTT Member State in a broad range of circumstances, including (a) by transacting with a person established in a FTT Member State or (b) where the financial instrument which is subject to the dealings is issued in a FTT Member State.

Noteholders are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Mediobanca – Banca di Credito Finanziario S.p.A. (the "**Arranger**"), Crédit Agricole Corporate and Investment Bank, Société Générale and UniCredit Bank AG (together with the Arranger, the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 14 December 2017 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA Retail Investors – Selling Restriction under the Prospectus Directive

From 1 January 2018, unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) *Qualified investors*: at any time to any legal entity or person which is a qualified investor as defined in the Prospectus Directive;

(b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU).

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) as defined in 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**"), implementing Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Act**"); 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 Article 34-*ter* of CONSOB Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must:

(a) be made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, CONSOB Regulation No. 16190, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and any other applicable laws or regulation;

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority; and

(c) be made in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be made in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

(a) ***No Deposit Taking***: in relation to Notes which have a maturity date of less than one year, it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer; and

(b) ***Financial promotion***: 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 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) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or to qualified investors ('*investisseurs qualifiés*') other than individuals investing for their own account as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier*.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a

member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet Inzake spaarbewiizen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (ii) in respect of the initial issue of Zero Coupon Note in definitive form to the first holders thereof, or (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Notes in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein, "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

GENERAL INFORMATION

Listing and admission to trading

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Directive by the Central Bank in its capacity as competent authority in the Republic of Ireland for the purposes of the Prospectus Directive. Application has been made for Notes issued under the Programme to be listed on the official list of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange.

For the purposes of admitting Notes to trading on a regulated market in a member state of the European Economic Area other than the Republic of Ireland, the Central Bank may, at the request of the Issuer, send to the competent authority of another Member State: (i) a copy of this Base Prospectus; (ii) a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive; and (iii) if so required by the competent authority of such Member State, a translation into the official language(s) of such Member State of a summary of this Base Prospectus.

Authorisation

The establishment and this update of the Programme was authorised by resolutions of the board of directors of the Issuer dated 6 October 2010 and 23 October 2017, respectively. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the entering into of the relevant Intercompany Loans and related Deeds of Pledge relating to the Secured Notes in accordance with applicable provisions of Italian law and its By-Laws (*statuto*).

Foreign languages used in the Base Prospectus

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

Legal and Arbitration Proceedings

Save as disclosed in the section headed "*Description of the Issuer – Legal proceedings*", there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Significant/Material Change

Since 31 December 2016, there has been no material adverse change in the prospects of the Issuer or of the Group, nor since 30 June 2017 has there been any significant change in the financial or trading position of the Issuer or of the Group.

Auditors

The consolidated condensed interim financial statements of the Issuer at and for the six months ended 30 June 2017 were reviewed by PricewaterhouseCoopers S.p.A., independent registered public accounting firm, as set forth in their report thereon, and incorporated by reference herein.

PricewaterhouseCoopers S.p.A. is registered under No. 119644 in the Register of Accountancy Auditors (Registro dei Revisori Legali), held by the Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., which is located at Via Monte Rosa 91, 20149, Milan, Italy, is also a member of ASSIREVI, the Italian association of auditing firms.

The consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2015 and 2016 were audited without qualification by Deloitte & Touche S.p.A., independent accountants, as set forth in their reports thereon, and are incorporated by reference herein. Further information in respect of the auditors is set out in "*Description of the Issuer – Independent Auditors*" above.

Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be physically inspected during normal business hours at the specified office of the Principal Paying Agent, namely:

(a) a copy of this Base Prospectus along with any supplements to this Base Prospectus;

(b) the By-Laws (*statuto*) of the Issuer;

(c) the Agency Agreement;

(d) the Trust Deed;

(e) the Programme Manual (which contains the forms of the Notes in global and definitive form);

(f) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (save that, in the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders); and

(g) in the case of Secured Notes, the Intercreditor Agreement, any Deed of Pledge and any Intercompany Loan entered into on or prior to the issue date of the relevant Secured Notes.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Irish Stock Exchange's regulated market and each document incorporated by reference are available on the Irish Stock Exchange's website at www.ise.ie.

Financial statements available

For so long as the Programme remains in effect or any Notes are outstanding, electronic copies and, where appropriate, English translations of the latest annual consolidated financial statements of the Issuer and consolidated interim financial statements of the Issuer (if published) may be obtained during normal business hours at the specified office of the Principal Paying Agent.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1 855 Luxembourg.

Dealers transacting with the Issuer – Potential conflicts of interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the issuer's affiliates. Certain of the Dealers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect

future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term '*affiliates*' includes also parent companies.

Post-issuance Information

The Issuer will not provide any post-issuance information, unless required to do so by any applicable laws and regulations.

REGISTERED OFFICE OF THE ISSUER

SIAS S.p.A.
Via Bonzanigo, 22
10144 Turin
Italy

ARRANGER

Mediobanca – Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

DEALERS

Crédit Agricole
Corporate and Investment Bank
12, Place des Etats-Unis
CS 70052
92547 MONTROUGE CEDEX
France

Mediobanca – Banca di Credito
Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

Société Générale
29, boulevard Haussmann
75009 Paris
France

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LISTING AGENT

Deutsche Bank Luxembourg S.A.
Boulevard Konrad Adenauer, 1115 Luxembourg,
Luxembourg

LEGAL ADVISERS

To the Issuer as to Italian law:

Legance Avvocati Associati
Via Dante, 7
20123 Milan
Italy

To the Dealers as to English and Italian law:

White & Case LLP
Piazza Diaz, 2
20122 Milan
Italy

AUDITORS TO THE ISSUER

PricewaterhouseCoopers S.p.A.
Via Monte Rosa
91 – 20149 Milan
Italy