



Press Release

FITCH PLACED ON WATCH NEGATIVE THE RATING OF AUTOSTRADE PER L'ITALIA

Rome, 29 November 2019 – Fitch has placed on Watch Negative the rating of Autostrade per l'Italia.

The full text of Fitch announcement is provided below.

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Fitch Places Atlantia, ASPI and AdR on RWN

Fitch Ratings - Milan - 29 November 2019:

Fitch Ratings has placed Atlantia SpA's EUR10 billion euro medium-term note (EMTN) programme - rated senior unsecured 'BBB' - on Rating Watch Negative (RWN).

Autostrade per l'Italia SpA's (ASPI) and Aeroporti di Roma's (AdR) Long-Term Issuer Default Ratings (IDRs) of 'BBB+' have also been placed on RWN. Both ASPI and AdR are infrastructure assets managed and owned by Atlantia.

A full list of rating actions is below.

RATING RATIONALE

The rating actions reflect increased pressure as a result of the recent statement by Italy's Prime Minister on the possible early termination of the ASPI concession. Further investigations on a possible shortfall of maintenance activities recently led to the temporary closure of two viaducts of the ASPI network. This has created additional tension between the group and the government, which was compounded by the recent Atlantia withdrawal from the government-sponsored restructuring of Italian loss-making airline Alitalia.

The state of affairs remains highly uncertain and under development, but in our view, the probability of early termination of ASPI concession has now increased.

The causes of the Genoa bridge collapse are still unknown. However, the Italian Prime Minister recently said that the administrative procedure initiated by the Ministry of Infrastructure is close to ending.

The early termination/revocation/nationalisation is regulated under a detailed procedure set out in the concession agreement. The purpose of this procedure is to assess whether there is a material failure of the infrastructure operator in fulfilling its duties. If the concessionaire is found liable for not meeting its obligations materially, the MIT and Ministry of Economy can jointly issue a decree to terminate the concession early.

In all cases of early termination, ASPI will be indemnified, assuming that the concession contract is complied with. The handover of the network operations is subject to the payment of an indemnification. This indemnity is equal to the net present value of revenue until the end of the concession (2038) net of cost, capex and taxes less (i) ASPI's net financial debt taken over by the grantor; (ii) cash flow available to ASPI from the date of concession early termination to the date of the handover of the asset; and (iii) a penalty of 10% plus any additional damages if the concession is terminated early for concessionaire fault and in line with the procedure set out in article 9 of the contract.

An alternative possible scenario is a unilateral revocation of the concession agreement without complying with the procedure set out in the concession contract. This possible scenario could expose parties to risk of a long-lasting legal dispute that may ultimately result in a material payment by the government and could also negatively impact investor sentiment on the reliability of the Italian regulatory framework.

If the concession is revoked each ASPI bondholder would be entitled to exercise the put option according to the procedure set out in the bond documentation and ask for the redemption of the notes. The bond documentation also entitles each bondholder to exercise the put option if the concession is declared by

relevant authorities to have ceased. In our view, it is unclear when this put event (declaration to cease) will materialise. However, we note that Atlantia's view is that (i) the put event materialises only when the concession is terminated early; (ii) the concession is legally terminated when the indemnity is paid.

In this context, the time gap between the early termination of the concession and the payment of compensation is key as the indemnity is the primary source for repaying bondholders who decide to exercise the put option.

KEY RATING DRIVERS

See "Fitch Affirms Atlantia and Autostrade per l'Italia; Outlooks Negative", and "Fitch affirms Aeroporti di Roma at BBB+; Outlook Negative" published on 29 October 2019.

RATING SENSITIVITIES

Developments That May, Individually or Collectively, Lead to Positive Rating Action:

-Greater visibility on the financial impact on ASPI of the Genoa Bridge collapse, provided that the leverage profile under Fitch's rating case is not materially affected

Developments That May, Individually or Collectively, Lead to Negative Rating Action

- A formal procedure to terminate the ASPI concession early could lead to a multiple-notch downgrade, especially if there was clear evidence that ASPI's bondholders have the right to promptly exercise the put option included in the EMTN.

- Fitch-adjusted net leverage consistently above 6.0x under Fitch's rating case.

- A material adverse change to the creditor-protective Italian regulatory framework or costs and liabilities linked to the collapse of Genoa Bridge, impacting the group's overall leverage profile

ESG Considerations



Unless otherwise disclosed in this section, the highest level of Environmental, Social and Governance (ESG) credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entities, either due to their nature or to the way in which they are being managed by the entities.

Atlantia has an ESG relevance score of '4' for Management Strategy, as the collapse of the Genoa Bridge in August 2018 has heightened financial and regulatory risks, and are relevant to Atlantia's rating in conjunction with other factors.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

| ENTITY/DEBT | RATING | PRIOR |
|-----------------------------|--------|--|
| Autostrade per l'Italia SpA | LT IDR | BBB+  |

| | | |
|--|---|--|
| | BBB+  Rating Watch On | |
| | ST IDR F2  Rating Watch On | F2 |
| Autostrade per l'Italia SpA/Debt/1 LT | LT BBB+  Rating Watch On | BBB+  |
| Atlantia S.p.A. | | |
| Atlantia S.p.A./Debt/1 LT | LT BBB+  Rating Watch On | BBB+  |
| Atlantia S.p.A./Debt/2 LT | LT BBB  Rating Watch On | BBB  |
| Aeroporti di Roma S.p.A | LT IDR BBB+  Rating Watch On | BBB+  |
| | ST IDR F2  Rating Watch On | F2 |
| /Debt/1 LT | LT BBB+  Rating Watch On | BBB+  |

Additional information is available on www.fitchratings.com

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Applicable Criteria

Airports Rating Criteria (pub. 23 Feb 2018)
Rating Criteria for Infrastructure and Project Finance (pub. 27 Jul 2018)
Toll Roads, Bridges and Tunnels Rating Criteria (pub. 30 Jul 2018)
Short-Term Ratings Criteria (pub. 02 May 2019)

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