



# Atlantia

**Atlantia S.p.A.**

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

Unconditionally and irrevocably guaranteed by Autostrade per l'Italia S.p.A.

**€10,000,000,000**

## **Euro Medium Term Note Programme**

Under this Euro Medium Term Note Programme (the "Programme"), Atlantia S.p.A. ("Atlantia" or the "Issuer") may, from time to time, subject to compliance with all applicable laws, regulations and directives, issue debt securities in either bearer or registered form (respectively, "Bearer Notes" and "Registered Notes" and, together, the "Notes") to be unconditionally and irrevocably guaranteed by Autostrade per l'Italia S.p.A. ("Autostrade Italia" or the "Guarantor"), Atlantia's wholly-owned subsidiary (the "Guarantee").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €10 billion (or the equivalent in other currencies).

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

This Offering Circular is a "base prospectus" in accordance with Article 5.4 of the Prospectus Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the "Prospectus Directive"). The Offering Circular has been approved by the Irish Financial Services Regulatory Authority (the "Financial Regulator"), as competent authority under the Prospectus Directive 2003/71/EC. The Financial Regulator only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. 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 (each, a "Member State"). Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "General Description of the Programme" and "Terms and Conditions of the Notes") of Notes issued under the Programme will be set out in final terms (the "Final Terms") which, with respect to Notes to be listed on the Irish Stock Exchange, will be filed with the Financial Regulator.

The Programme provides that Notes may be admitted to listing on such other or further stock exchanges as may be agreed upon by and between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Notes.

Notes issued under the Programme will have a minimum denomination of €50,000.

**Investing in the Notes involves risks. Please see the section entitled "Risk Factors" beginning on page 7.**

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any State or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Bearer Notes, delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S") in the case of Registered Notes, or as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder in the case of Bearer Notes). See "Forms of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. See "Subscription and Sale and Transfer and Selling Restrictions".

Bearer Notes will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note" and, together with the Temporary Global Notes, the "Global Notes"). Registered Notes will be represented by registered certificates (each a "Certificate", which term shall include where appropriate registered certificates in global form), one Certificate being issued in respect of each registered Noteholder's entire holding of Registered Notes of one Series (as defined under "General Description of the Programme" and "Terms and Conditions of the Notes"). Global Notes and Certificates may be deposited on the Issue Date (as defined herein) with a common depository on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). The provisions governing the exchange of interests in Global Notes for other Global Notes are described in "Forms of the Notes".

The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes set out herein (the "Conditions"), in which event a Drawdown Prospectus (as defined below), if appropriate, will be made available which will describe the effect of the agreement reached in relation to the Notes.

Arrangers

**J.P. Morgan**

**Mediobanca - Banca di Credito Finanziario S.p.A.**

Dealers

**Banca IMI**

**BNP PARIBAS**

**CALYON Crédit Agricole CIB**

**Citi**

**Goldman Sachs International**

**J.P. Morgan**

**Mediobanca - Banca di Credito Finanziario S.p.A.**

**Natixis**

**The Royal Bank of Scotland**

**Société Générale Corporate & Investment Banking**

**UniCredit (HVB)**

The date of this Offering Circular is 22 October 2009.

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## NOTICE TO INVESTORS

*Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular and, to the best of the knowledge of each of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to itself, Atlantia and its subsidiaries and affiliates taken as a whole (Atlantia, together with its consolidated subsidiaries, the “Group”) and the Notes, which according to the particular nature of the Issuer and the Guarantor and the Notes is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and the prospects of the Issuer and the Guarantor and of any rights attaching to the Notes and is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee) material, that the statements contained in it are in every material particular true and accurate and not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and that all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements. Each of the Issuer and the Guarantor accepts responsibility accordingly for the information contained in this Offering Circular.*

*This Offering Circular is to be read in conjunction with any supplements hereto and with all documents which are deemed to be incorporated herein by reference and, in relation to any Tranche of Notes, should be read and construed together with the applicable Final Terms. See “Incorporation by Reference” below. This Offering Circular shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.*

*Neither this Offering Circular nor any Final Terms 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 Guarantor or BNY Corporate Trustee Services Limited (the “Trustee”) that any recipient of the Offering Circular or any Final Terms should subscribe for or purchase any Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition of the Issuer, the Guarantor and the Group.*

*No representation, warranty or undertaking, express or implied, is made by the Arrangers, the Dealers or the Trustee as to the accuracy or completeness of this Offering Circular or any further information supplied in connection with the Programme or the Notes or their distribution. None of the Arrangers, the Dealers or the Trustee accepts any liability in relation to this Offering Circular or any document incorporated by reference in this Offering Circular or the distribution of any such document or with regard to any other information supplied by, or on behalf of, any of the Issuer or the Guarantor. Each investor contemplating purchasing Notes must make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the Group.*

*No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the Guarantor, the Arrangers or the Dealers.*

*Neither the delivery of this Offering Circular, nor the offering, sale or delivery of any Notes shall in any circumstances create any implication that, since the date of this Offering Circular or the date upon which it has been most recently amended or supplemented, there has not been any change, or any development or event, which is materially adverse to the condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer, the Guarantor or the Group. The Arrangers, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published financial statements of the Issuer and the Guarantor when deciding whether or not to purchase any Notes.*

*The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Arrangers, the Dealers or the Trustee represents that this*

*Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Guarantor, the Arrangers, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons who obtain this Offering Circular or any Notes must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Italy) and Japan. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see “Subscription and Sale and Transfer and Selling Restrictions” below.*

*This Offering Circular has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of Notes in reliance upon Regulation S outside the United States to non-U.S. persons or in transactions otherwise exempt from registration. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.*

*The Notes and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.*

*The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €10,000,000,000 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 (as defined below). The maximum aggregate principal amount of the Notes which may be outstanding and guaranteed 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.*

## **STABILISATION**

In connection with the issue and distribution of any Tranche of Notes, the Dealer(s) (if any) disclosed as the stabilising manager(s) in the applicable Final Terms (or any person acting on its or their behalf) may over-allot or effect transactions with a view to supporting the market price of the Notes of a Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period. However, there is no assurance that such stabilising manager(s) or any person acting on its or their behalf will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended 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 regulations.

## **INCORPORATION BY REFERENCE**

The following documents which have previously been published with Borsa Italiana S.p.A., the Italian Stock Exchange, and have been filed with the Irish Stock Exchange, shall be incorporated in, and form part of, this Offering Circular:

- (a) the audited consolidated annual financial statements of Atlantia as at and for the years ended 31 December 2006, 2007 and 2008;
- (b) the unaudited interim consolidated financial statements of Atlantia as at and for the six months ended 30 June 2008 and 2009; and
- (c) the auditors reports regarding the audited consolidated annual financial statements of Atlantia as at and for the years ended 31 December 2006, 2007 and 2008 and the review reports regarding the unaudited interim consolidated financial statements of Atlantia as at and for the six months ended 30 June 2008 and 2009,

in each case together with the accompanying notes (where applicable).

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference herein of such documents shall not create any implication that there has been no change in the affairs of the Issuer, the Guarantor or the Group since the date thereof or that the information contained therein is current as at any time subsequent to its date. Following the publication of this Offering Circular, a supplement may be prepared by the Issuer and approved by the Financial Regulator in accordance with Article 16 of the Prospectus Directive. Any statement contained in this Offering Circular or in a document that is incorporated by reference shall be deemed modified or superseded to the extent a statement contained in any subsequent document that is also incorporated by reference modifies or supersedes any such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. References to this Offering Circular shall be taken to mean this document.

The Issuer will make available, free of charge, a copy of any or all the documents incorporated by reference herein at its office as set out at the end of this Offering Circular and at the specified offices of the relevant paying agents for the Notes set forth on the back cover page of this Offering Circular or of the applicable Final Terms, as relevant to each series of Notes, as well as on the website of the Irish Stock Exchange.

## **FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical fact included in this Offering Circular regarding the Group's business financial condition, results of operations and certain of the Group's plans, objectives, assumptions, expectations or beliefs with respect to these items and statements regarding other future events or prospects are forward-looking statements. These statements include, without limitation, those concerning: the Group's strategy and the Group's ability to achieve it; expectations regarding revenues, profitability and growth; plans for the launch of new services; the Group's possible or assumed future results of operations; research and development, capital expenditure and investment plans; adequacy of capital; and financing plans. The words "aim", "may", "will", "expect", "anticipate", "believe", "future", "continue", "help", "estimate", "plan", "intend", "should", "could", "would", "shall" or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. In addition, this Offering Circular includes forward-looking statements relating to the Group's potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities. These forward-looking statements have been based on the Group's management's current view with respect to future events and financial performance. These views reflect the best judgment of the Group's management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in such forward-looking statements and from past results, performance or achievements. Although the Group believes that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-thinking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements. None of the Issuer, the Guarantor or the Group undertakes any obligation to republish revised forward-looking statements to reflect events or

circumstances after the date hereof. Prospective purchasers are also urged carefully to review and consider the various disclosures made by the Issuer, the Guarantor and the Group in this Offering Circular which attempt to advise interested parties of the factors that affect the Issuer, the Guarantor, the Group and their business, including the disclosures made under “Risk Factors” and “Business Description of the Group”.

Neither the Issuer nor the Guarantor intends to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer or the Guarantor or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Offering Circular. As a result of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

## **INDUSTRY AND MARKET DATA**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group’s business contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Group’s knowledge of its sales and markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Group to rely on internally developed estimates. While the Group has compiled, extracted and, to the best of its knowledge, correctly reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Group nor the initial purchasers have independently verified that data. The Group cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. Similarly, while its internal estimates are reasonable, they have not been verified by any independent sources and the Group cannot assure investors as to their accuracy.

## **PRESENTATION OF FINANCIAL AND OTHER DATA**

Unless otherwise indicated, references in this Offering Circular to “euro” or “Euro” or “€” are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended from time to time.

Atlantia prepares its financial statements in euro.

From the financial year beginning on 1 January 2005, Atlantia began reporting financial information in accordance with the International Financial Reporting Standards adopted by the European Union (“IFRS”), as prescribed by European Union Regulation No. 1606 of 19 July 2002. The financial year of Atlantia begins on 1 January and terminates on 31 December of each calendar year. Italian law requires Atlantia to produce annual audited financial statements.

Certain parts of this Offering Circular contain references to EBITDA. See “Selected Financial Data”. In Atlantia’s financial statements, EBITDA is calculated as operating profit, plus impairment losses on assets and reversals of impairment losses, amortisation, depreciation, and provisions and other adjustments. EBITDA is not a measurement of performance under IFRS and should not be considered by prospective investors as an alternative to (a) net profit/(loss) as a measure of Atlantia’s operating performance, (b) cash flows from operating, investing and financing activities as a measure of Atlantia’s ability to meet its cash needs or (c) any other measure of performance under IFRS. Atlantia believes that EBITDA is a measure commonly reported and widely used by investors and other interested parties as a measure of a company’s operating performance and debt servicing ability because it assists in comparing performance on a consistent basis between companies without regard to amortisation and depreciation accounting methods, which can vary significantly depending on accounting methods applied (particularly in the cases of acquisitions or non-operating factors such as historical costs). Since EBITDA is not a measure of performance under IFRS, not all companies necessarily calculate EBITDA on a consistent basis and Atlantia’s presentation of EBITDA may not be comparable to measures used by other companies under the same or a similar name. Accordingly, undue reliance should not be placed on the EBITDA data contained in this Offering Circular.

Certain figures included in this Offering Circular 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.

## 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. The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in “Terms and Conditions of the Notes” below shall have the same meanings in this summary. The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form other than that contemplated in “Terms and Conditions of the Notes” herein, in which event a Drawdown Prospectus (as defined below) will be published.*

Issuer .....	Atlantia S.p.A.
Guarantor .....	Autostrade per l’Italia S.p.A., the Issuer’s wholly-owned subsidiary.
Description .....	Euro Medium Term Note Programme.
Size .....	Up to €10 billion (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Arrangers .....	J.P. Morgan Securities Ltd. Mediobanca - Banca di Credito Finanziario S.p.A.
Dealers .....	Banca IMI Bayerische Hypo- und Vereinsbank AG BNP PARIBAS Calyon Citigroup Global Markets Limited Goldman Sachs International J.P. Morgan Securities Ltd. Mediobanca — Banca di Credito Finanziario S.p.A. Natixis The Royal Bank of Scotland plc Société Générale Corporate & Investment Banking
	The Issuer and the Guarantor may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee .....	BNY Corporate Trustee Services Limited.
Issuing and Principal Paying Agent	The Bank of New York Mellon.
Paying Agent and Transfer Agent .....	The Bank of New York Mellon.
Registrar .....	The Bank of New York (Luxembourg) S.A.
Method of Issue .....	Notes may be issued on a syndicated or a non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each

Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Final Terms.

Currencies.....	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, New Zealand dollars, Sterling, Swedish kronor, Swiss francs, United States dollars and Japanese yen.
Certain restrictions.....	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. See “Subscription and Sale and Transfer and Selling Restrictions”.
Redenomination.....	The applicable Final Terms may provide that Notes may be redenominated into euro.
Maturities.....	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of 18 months and one day.
Issue Price.....	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Forms of the Notes .....	The Notes will be issued in bearer or registered form as described in “Forms of the Notes”. Registered Notes will not be exchangeable for Bearer Notes and vice versa. 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 applicable 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 applicable Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository 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 applicable 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 applicable Final Terms, for Definitive Notes. If the TEFRA D Rules (as defined below) are specified in the applicable 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.
Fixed Rate Notes .....	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as the Issuer, the Guarantor and the relevant Dealer may agree.



Floating Rate Notes .....	<p>Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant specified currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer, the Guarantor and the relevant Dealer (as indicated in the applicable Final Terms).</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.</p>
Index Linked Notes .....	<p>Payments of interest on Index Linked Interest Notes or of principal on Index Linked Redemption Amount Notes will be calculated by reference to such index and/or formula or to such other factors as the Issuer, the Guarantor and the relevant Dealer may agree.</p>
<p>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes .....</p>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the Issuer, the Guarantor and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the Day Count Fraction so specified.</p>
Zero Coupon Notes.....	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption.....	<p>The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be repayable in two or more instalments in such amounts and on such dates as indicated in it.</p>
Noteholders' Put Option.....	<p>In addition to any put option indicated in the applicable Final Terms, Notes will be redeemable prior to maturity at the option of the Noteholders in the event that (a) the Autostrade Italia Concession or the Single Concession Contract is terminated or revoked in accordance with its terms or for public interest reasons; or (b) a ministerial decree has been enacted granting to another person the Autostrade Italia Concession; or (c) it becomes unlawful for Autostrade Italia to perform any of the material terms of the Autostrade Italia Concession; or (d) the Autostrade Italia Concession is declared by the competent authority to cease before the Maturity Date (as defined in the applicable Final Terms); or (e) the Autostrade Italia Concession ceases to be held by</p>

	<p>Autostrade Italia or any successor resulting from a Permitted Reorganisation; or (f) the Autostrade Italia Concession is amended in a way which has a Material Adverse Effect. See “Terms and Conditions of the Notes — Redemption, Purchase and Options”.</p>
Denomination of Notes.....	<p>Bearer Notes may be issued in any denomination agreed between the Issuer, the Guarantor and the relevant Dealer(s), subject to a minimum denomination of €50,000 (or, in the case of Notes that are not denominated in euro, the equivalent thereof in such currency). Registered Notes may be issued in a denomination consisting of €50,000 (or its equivalent in other currencies) plus integral multiples of a smaller amount.</p>
Withholding Tax.....	<p>All payments of principal and interest in respect of the Notes shall be made free and clear of, and without any withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Italy, unless such withholding or deduction is required by law. In such a case, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, in each case subject to certain customary exceptions, as further described in “Terms and Conditions of the Notes — Taxation”.</p>
Substitution.....	<p>The Trustee, the Issuer and the Guarantor are permitted to agree, without the consent of the Noteholders or, where relevant, the Couponholders, to the substitution of any Issuer’s successor, transferee or assignee or any subsidiary of the Issuer or its successor in business or of the Guarantor or its successor, transferee or assignee or any subsidiary of the Guarantor or its successor, transferee or assignee in place of the Issuer or the Guarantor, subject to the fulfilment of certain conditions, as more fully set out in “Terms and Conditions of the Notes — Meetings of Noteholders, Modification, Waiver and Substitution” and in the Trust Deed.</p>
Negative Pledge.....	<p>Yes, see “Terms and Conditions of the Notes — Negative Pledge”.</p>
Cross Default.....	<p>Yes, see “Terms and Conditions of the Notes — Events of Default”.</p>
Status of the Notes.....	<p>The Notes constitute “<i>obbligazioni</i>” pursuant to Article 2410 et seq. of the Italian Civil Code and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves and at least <i>pari passu</i> with all senior, unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p>
Guarantee.....	<p>The Guarantor has unconditionally and irrevocably guaranteed that if the Issuer does not pay any sum payable under the Notes, the Receipts or the Coupons by the time and on the date specified for such payment, it will pay any such amount to or to the order of the Trustee up to an amount which is the aggregate of 120% of the aggregate principal amount of any Tranche of the Notes which may be issued and 120% of the interest on such Notes accrued but not paid as at any date on which such amount falls to be determined.</p>
Status of the Guarantee.....	<p>The Guarantee constitutes a direct, unsecured obligation of the Guarantor ranking at least <i>pari passu</i> with all senior, unsecured and unsubordinated obligations of the Guarantor, save for such obligations</p>

as may be preferred by provisions of law that are both mandatory and of general application.

Listing and Admission to Trading..

The Offering Circular has been approved by the Financial Regulator, as competent authority under the Prospectus Directive, as a “base prospectus” for purposes of the Prospectus Directive.

Application has been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Irish Stock Exchange and to be listed on the Official List of the Irish Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

Pursuant to Article 18 of the Prospectus Directive, the Financial Regulator may at the request of the Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Offering Circular; (ii) a certificate of approval attesting that this Offering Circular has been drawn up in accordance with the Prospectus Directive (an “Attestation Certificate”); and (iii) if so required by such competent authority, a translation of the General Description of the Programme set out on pages 1 to 5 of this Offering Circular.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to the Irish Stock Exchange, will be delivered to the Irish Stock Exchange.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Listing Agent.....

The Bank of New York Mellon.

Governing Law.....

The Notes, the Dealer Agreement, the Guarantee, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with any of them will be governed by, and construed in accordance with, English law, save for mandatory provisions of Italian law in certain cases.

Selling Restrictions.....

United States, the European Economic Area (including the United Kingdom and Italy) and Japan, as further described under “Subscription and Sale and Transfer and Selling Restrictions” below.

Risk Factors.....

Refer to “Risk Factors” below for a summary of certain risks involved in investing in the Notes.

## **SUPPLEMENTS AND DRAWDOWN PROSPECTUSES**

The Issuer has given an undertaking to the Dealers that, if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Offering Circular which is capable of affecting the assessment of the Notes, it shall prepare a supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer any number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuer may agree with any Dealer to issue Notes in a form not contemplated in the section of this Offering Circular entitled “Form of Final Terms”. To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Offering Circular, a separate prospectus specific to such Tranche (a “Drawdown Prospectus”) will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer, the Guarantor and the Group and the relevant Notes or (2) pursuant to Article 5.3 of the Prospectus Directive, by a registration document containing the necessary information relating to the Issuer, the Guarantor and the Group, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Offering Circular 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.

## RISK FACTORS

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

*An investment in the Notes involves risks. A prospective Noteholder should carefully consider all information contained in this Offering Circular before making any investment decision, including the risks described below. Any of the following risks or additional risks and uncertainties of which the Issuer and the Guarantor are not aware or that the Issuer and the Guarantor believe are immaterial could materially adversely affect the Group's business, financial condition or results of operations. In that event, interest and principal payments on the Notes may not be made when due and Noteholders may lose all or part of their investment.*

*Words and expressions defined elsewhere in this Offering Circular have the same meaning in this section. Prospective Noteholders should read the entire Offering Circular.*

### **Risks Relating to the Business of the Group**

***The Group is dependent on Concessions which account for substantially all of the Group's revenues.***

The Group is dependent on the Concessions that have been granted to the Motorway Subsidiaries (as defined in "Business Description of the Group — Introduction — Business of the Group") to operate various toll roads in Italy. In 2008, approximately 80.9% of the Group's revenues were derived from toll collections on motorways under the Concessions. The Concessions of the Motorway Subsidiaries are currently set to expire between 2012 and 2038 (other than the Mont Blanc Tunnel Concession, which expires in 2050). In particular, the Concession currently held by Autostrade Italia (the "Autostrade Italia Concession"), which accounted for approximately 85.0% of the Group's toll revenue in 2008, will expire in 2038. Upon expiration of these Concessions, the Italian Group Network and related infrastructure must revert in a good state of repair to Anas S.p.A. ("ANAS"), or, in the case of the Mont Blanc tunnel Concession, ANAS and the French Government. Moreover, no assurances can be given that the Group will enter into new concessions to permit it to carry on its core business after 2038, or that any new concessions entered into or renewals of existing concessions (including the draft single concession agreements signed by SAT, SAM and Tangenziale di Napoli, the approval of which is still pending) will be on terms similar to those of its current Concessions.

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

The Concessions are governed by agreements with ANAS requiring the Motorway Subsidiaries to comply with certain obligations (including performing regular maintenance and enhancement works on the motorways and operating emergency motorway rescue services). Pursuant to the Single Concession Contract, Autostrade Italia is subject to penalties or sanctions, which in certain cases can be significant, for non-performance or default under the Autostrade Italia Concession. See "Business Description of the Group — Regulatory — The Autostrade Italia Concession". Additionally, failure by any of the Motorway Subsidiaries to fulfil its material obligations under its respective Concession could, if such failure is left unremedied, lead to the early termination by ANAS of such Motorway Subsidiary's Concession. Further, in accordance with general principles of Italian law, a Concession could be terminated early for reasons of public interest. In either case, the Group would be required to transfer free of charge to ANAS all of the assets relating to the operation of the motorway network. It is likely that the amount of compensation to which the Motorway Subsidiary would be entitled, if any, in the event of the early termination of a Concession would have to be negotiated between ANAS and the Motorway Subsidiary, which could lead to protracted negotiations regarding the amount of compensation or indemnification due. In addition, ANAS may be entitled to suspend tariff increases in certain circumstances of material and continuing non-compliance with the terms of the Concession. A significant amount of the Groups' revenue derives from the Autostrade Italia Concession and a termination of the concession, as well as the suspension of tariff increases, penalties or sanctions for non-performance or default under the terms of the Single Concession Contract or the early termination of any of the other Motorway Subsidiaries' Concessions and/or any disputes which might arise in connection with the negotiation of compensation matters, could have a material adverse impact on the Group's results of operations and financial condition. See "Business Description of the Group — Regulatory — The Autostrade Italia Concession".

***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 Italian Group Network and royalty revenues derived from sales of goods and services at service areas on the Italian Group Network. The aggregate amount of these revenues is dependent primarily on traffic volumes, tariffs and the capacity of the Italian Group Network to absorb traffic. In turn, traffic volumes and toll receipts depend on a number of factors, including the quality, convenience and travel time on toll-free roads or toll motorways operated by our competitors, the quality and state of repair of the Group motorways, the economic climate and rising petrol prices in Italy, environmental legislation (including measures to restrict motor vehicle use in order to reduce air pollution), weather and the existence of alternative means of transportation. Long haul traffic, defined as trips of 300 or more kilometres and which typically relate to the transport of commercial goods or other business-related activities, is particularly adversely impacted by negative macroeconomic trends. There can be no assurance that traffic volumes will not decrease 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.

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

The Italian motorway sector is governed by 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 law. Each of the Concessions granted to the Motorway Subsidiaries is governed by the specific terms of such Concession, together with other generally applicable laws, ministerial decrees and resolutions. Changes in laws and regulations which affect 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 with ANAS the terms of the concession in an effort to restore the financial balance between tariffs and required investments in existence prior to the relevant changes or terminate the Concession agreement with provision of compensation or indemnification. 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 Italian government policy with respect to motorway concessions, construction and related government grants can significantly affect the Group's results of operations. For example, in the 1970s and 1980s the Italian government developed a policy to block motorway construction. In 2006, a proposed merger between Autostrade S.p.A. (now Atlantia) and Abertis Infraestructuras S.A. ("Abertis"), Spain's largest motorway operator, was not completed as a result of a joint decision of the merging companies due to certain legal issues raised by the Minister of Infrastructure and Minister of Economy and Finance, together with ANAS, in connection with the authorisation to be granted with respect to the merger pursuant to the concession agreements and the legislation implementing the privatisation of Autostrade, as well as the entry into force of Law 286/06 that affected the legal framework and the economic and financial fundamentals of the concession agreements in force at that time. 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.

***Traffic congestion may adversely affect the growth of traffic volumes and Group's revenues.***

The density of traffic volumes on certain sections of the Group's motorways has reached very high volumes which may constrain future growth in traffic as drivers seek to use alternative routes when traffic volumes reach consistently high levels at certain times. Although management believes that growth potential still exists in these motorways, there can be no assurance that revenues will continue to increase on such motorways without the Group's commitment of additional capital for new investments designed to ease congestion and that, as a result, the Group's results of operations or financial condition will not be adversely affected.

***The Group's control over tariffs is limited by price-cap mechanisms in the Concessions which have variables which are subject to re-negotiation and, in certain instances, ratification by Italian governmental bodies.***

Adjustments to tariff rates charged by each of the Motorway Subsidiaries that have not entered into new single concession agreements with ANAS are determined annually pursuant to the price-cap mechanism contained within the respective Concession. The Group believes that the recently agreed price-cap mechanism applicable to Autostrade Italia and certain of the Motorway Subsidiaries brings greater certainty and transparency to the system for determining tariff adjustments. See "Business Description of the Group — Regulatory — Other Group Concessions — Tariff Rates". However, there can be no assurance that tariff adjustments will be sufficient to generate revenues in line with those generated in the past.

For the Motorway Subsidiaries that have not entered into new single concession agreements (except for Mont Blanc Tunnel, for which a different agreement applies) the price-cap mechanisms have been applicable since 1 January 2000 (with the exception of Strada dei Parchi, which was acquired in 2003) and are expected to be amended to implement the provisions of Law 286/06 at such time as either the investment plan in the relevant Concession is updated or upon the first revision of such Concessions. Currently these price-cap mechanisms are based on a formula which takes into consideration the official projected inflation rate of Italy, the relevant Motorway Subsidiary's expected change in productivity and changes in service quality. See "Business Description of the Group — Regulatory — The Autostrade Italia Concession — Tariff Rates".

Approval of the variables in the price-cap mechanisms will be at the discretion of the responsible entities, and there can be no assurance that the amended price-cap mechanisms will enable such Motorway Subsidiaries to generate revenues in line with those generated by such Motorway Subsidiaries in the past. Finally, despite regulations providing for the application of the price-cap mechanisms, there can be no assurance that toll rate increases will not be limited or prevented, as was the case prior to the adoption of the price-cap mechanisms, in order to assist in containing inflation or to pursue other economic or policy objectives. There can be no assurance that the Group's future tariff adjustments will enable the Group to generate adequate returns, or that the Group's results of operations or financial condition will not be materially adversely affected as a result of any future limitations on tariff increases or adjustments.

***The Group may not be able to implement the investment plans required under the Concessions within the timeframe and budget anticipated and the Group may not be able to recoup certain cost overruns.***

The investment plans contained within the Concessions require the Motorway Subsidiaries 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 since some of the projects are in the preliminary stages of planning. In the Group's experience, significant differences have at times arisen between initial estimates and the ultimate cost and time of completion. Under the Single Concession Contract, Autostrade Italia is responsible for any cost overruns on projects under the 1997 Concession Agreement (as defined below) and on all other agreed investments once they are approved by ANAS. Cost overruns that cannot be recovered through tariff increases on projects being carried out under the 1997 Concession Agreement are currently estimated to be approximately €1,744 million. See "Business Description of the Group — Motorway Capital Expenditures".

The Group is subject to certain risks inherent in construction projects. These risks may include:

- delays in obtaining a project's regulatory approvals (including, but not limited to, environmental requirements and planning approvals at the national and local governmental levels);
- delays in obtaining approvals required for tariff increases sufficient to fund the project;
- changes in general economic, business and credit conditions;
- the non-performance or unsatisfactory performance of contractors and subcontractors (whether such work is performed by the Group or by third parties);
- interruptions resulting from litigation, inclement weather and unforeseen engineering problems;
- shortages of materials and labour; and

- increased costs of materials and labour.

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 tariffs agreed upon with ANAS in advance of the commencement of a capital investment project generally do not entitle the applicable Motorway Subsidiary to recover losses caused by delays or cost overruns. 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. See "Business Description of the Group — Regulatory — The Autostrade Italia Concession".

In addition, the Group has assumed that a number of such projects will at least in part benefit from contributions from the Italian governmental authorities. Although substantially all of the governmental contributions are provided for by law or in the relevant 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, which may have a material adverse effect on the Group's working capital and general financial condition and results of operations.

***The Group's business may be adversely affected by the current disruption in the global credit markets and associated impacts.***

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk, created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the Group's ability to fund its business in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Group. In addition, the financial performance of the Group could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

***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 Italian Group Network or limit the Group's ability to expand the Italian Group 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 Italian Group Network, are open to bids on a Europe-wide basis. As a result, the Group may have difficulty 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 stretches of highway or alternative networks along the same transportation routes covered by the Italian Group Network or may develop facilities along such alternative networks or routes for different modes of transport. Such competition may lead to decreased traffic volumes on the Italian Group 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 Italian Group Network or limit the Group's ability to expand the Italian Group Network, thereby adversely affecting the Group's revenues and growth.

Moreover, the Group faces competition from alternative forms of transportation, such as high speed rail and air travel. There can be no assurance that the market share of such alternative forms of transportation will not increase. See "Business Description of the Group — Competition". Increased competition for traffic could reduce traffic on the Italian Group Network and, consequently, the Group's revenues.

***The Group may have difficulties expanding and diversifying its business.***

In order to expand and diversify its business, the Group must win new concessions, continue to develop new technologies, such as innovative toll collection systems, and expand complementary activities, such as its paving, operation and maintenance, engineering and parking businesses. The Group may face difficulties in obtaining new concessions or contracts to provide services to others. Additionally, with respect to the Group's investments in advanced technologies, no assurance can be given that the Group will be able to develop such



technologies in the manner or pursuant to the timeframe currently anticipated, or that such technology will be effective or able to be produced at commercially reasonable prices.

***There can be no assurances of the success of any of the Group's future attempts to acquire additional businesses or of the Group's ability to integrate any businesses acquired in the future.***

Consistent with the Group's strategic plan, it may seek opportunities to expand its operations in the future by way of strategic acquisitions, including in markets in which it does not currently operate. Although the Group assesses each investment based on financial and market analysis, which include certain assumptions, additional investments could materially adversely affect the Group's business, results of operations and financial condition, if: (i) the Group incurs substantial costs, delays or other operational or financial problems in acquiring and/or integrating acquired businesses; (ii) the Group is not able to identify, acquire or profitably manage such additional businesses; (iii) such acquisitions divert management's attention from the operation of existing businesses; (iv) the Group is not able to retain key personnel of acquired businesses; (v) the Group encounters unanticipated events, circumstances or legal liabilities; or (vi) the Group has difficulties in obtaining the required financing or the required financing may only be available on unfavourable terms.

Additionally, if such acquisitions are consummated, there can be no assurances that the Group will be able to successfully integrate any businesses acquired in the future, due to unforeseen difficulties in operations and insufficient support systems among other things.

***The Group's activities outside of Italy are subject to various country-specific business and operational risks.***

The Group's revenues from markets outside of Italy represented less than 3.0% (excluding consolidated adjustments) of its revenues for the year ended 31 December 2008, but have been increasing recently. Consistent with its strategic plan, the Group may make additional investments in operations outside of Italy, including in markets in which it does not currently operate. 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. These risks could affect the business activities and results of operations for certain of the Group's international subsidiaries, as well as the transfer of the revenues of such subsidiaries to the Group's consolidated accounts.

***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 subject to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Italian Group Network, including proceedings challenging tender procedures for the award of construction and maintenance contracts and service area subcontracts, and the renewal of existing subcontracts. Additionally, the Group companies are subject to litigation challenging tariff increases or the application or interpretation of the tariff formula, primarily from consumer advocacy groups. The Group is currently party to various litigation and proceedings. See "Business Description of the Group — Legal Proceedings". As at 31 December 2008, the Group had a €106.8 million provision in its financial statements for litigation. 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.

***Autostrade Italia has been the subject of anti-trust proceedings and is party to an indemnification agreement that may require it to cover certain liabilities which arise as a result of its subcontract operations or these proceedings.***

Edizione S.r.l. ("Edizione"), following the effectiveness of the merger on 1 January 2009 of Sintonia S.p.A. and Edizione Holding S.p.A. into Ragione S.A.P.A. (now Edizione S.r.l.), is the ultimate controlling shareholder of Autogrill S.p.A. ("Autogrill"), a company which owns and operates food and beverage and mini-market subcontracts along the Italian Group Network, and is the indirect parent company (holding 79.08%) of Sintonia S.A. ("Sintonia"). Sintonia currently owns, directly and indirectly, more than 38% of Atlantia's share capital. See "Business Description of the Group — Italian Motorway Activities — Service Areas" and "Shareholders". As a result of the relationship between Edizione and Atlantia, the Italian Anti-Trust Authority has from time to

time examined the business activities and relationships connected with Autostrade Italia's subcontract business. See "Shareholders".

The Italian Anti-Trust Authority requires Autostrade Italia, among other things, to follow certain procedures for the grant of new subcontracts and the renewal of existing subcontracts. Autostrade Italia agreed to indemnify Edizione for certain liabilities incurred by Edizione as a result of non-compliance by Autostrade Italia with such proceedings. If Edizione is fined as a result of an adverse decision, Autostrade Italia may, under the terms of the indemnification agreement, be required to indemnify Edizione and, consequently, may incur substantial costs. This could materially adversely affect the Group's results of operations or financial condition. See "Certain Relationships and Related Party Transactions".

***Labour unrest and damage or destruction of sections of the Group's motorways could adversely affect the Group's revenues, results of operations and financial condition.***

Like all motorway concessionaires, the Motorway Subsidiaries face potential risks from labour unrest, natural disasters, such as earthquakes or flooding, landslides or subsidence, collapse or destruction of sections of motorway or man-made disasters such as fires, acts of terrorism or the spillage of hazardous substances. The occurrence of any such events 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 Italian Group Network. Although the Group carries all risk, accident and civil liability insurance, there can be no assurance that these policies cover all of the 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 labour unrest, 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.

***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 licenses, permits and other prescriptive 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. 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 been making 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.

***The Financial Regulator has approved the omission of the Guarantor's financial statements from this Offering Circular.***

Approval of a request for omission from inclusion of the financial statements of the Guarantor as would otherwise have been required pursuant to Item 3 of Annex VI of Regulation (EC) No. 809/2004 and Item 11 of Annex IX of Regulation (EC) No. 809/2004 has been granted by the Financial Regulator pursuant to Article 8(2)(c) of the Prospectus Directive. Atlantia's consolidated financial statements include all of the subsidiaries of the Group, including the Guarantor. Moreover, the Guarantor and its subsidiaries represented approximately 100% (excluding consolidated adjustments) of the EBITDA and approximately 100% (excluding consolidated adjustments) of the assets of the Group as at and for the year ended December 31, 2008. Because the Guarantor's financial results are fully reflected within Atlantia's consolidated financial statements, the inclusion of the Guarantor's financial statements in addition to those of Atlantia is considered to be of minor importance to assess the financial position of the Group and the credit underlying the Notes.

## **Risks Relating to an Investment in the Notes**

### ***The Group's high leverage may have significant adverse financial and economic effects on the Group.***

As at 30 June 2009, the Group had approximately €12,175 million of indebtedness. The Group's high leverage could increase the Group's vulnerability to a downturn in its business or economic and industry conditions and have significant adverse consequences, including but not limited to:

- limiting the Group's ability to obtain additional financing to fund future working capital, capital expenditures, investment plans, strategic acquisitions, business opportunities and other corporate requirements;
- requiring the dedication of a substantial portion of the Group's cash flow from operations to the payment of principal of, and interest on, the Group's indebtedness, which would make such cash flow unavailable to fund the Group's operations, capital expenditures, investment plans, business opportunities and other corporate requirements; and
- limiting the Group's flexibility in planning for, or reacting to, changes in the Group's business, the competitive environment and the industry.

Any of these or other consequences or events could have a material adverse effect on the Group's ability to satisfy its debt obligations, including its obligations under the Notes.

A portion of the Group's indebtedness bears interest at variable rates. Although the Group has, to date, hedged a significant portion of its interest exposure under such indebtedness, an increase in the interest rates on the Group's indebtedness may reduce its ability to repay the Notes and its other indebtedness and to finance operations and future business opportunities.

The Group may incur substantial additional indebtedness in the future which could mature prior to the Notes or could be senior, if secured, to the Notes guaranteed by Autostrade Italia. The terms and conditions of the Notes place certain limitations on the incurrence of additional secured and unsecured indebtedness of the Group. See "Terms and Conditions of the Notes — Negative Pledge". The incurrence of additional indebtedness would increase the aforementioned leverage-related risks.

### ***The Group requires a significant amount of cash to service its debt, and its ability to generate sufficient cash depends on many factors beyond its control.***

The Group's ability to make payments on and to refinance its debt and to fund working capital, capital expenditures and research and development, will depend on its future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Group's control, as well as the other factors discussed in these "Risk Factors".

No assurances can be given that the businesses of the Group will generate sufficient cash flows from operations or that future debt and equity financing will be available in an amount sufficient to enable the Group to pay its debts when due, including the Notes, or to fund other liquidity needs.

If the Group's future cash flows from operations and other capital resources (including borrowings under existing or future credit facilities) are insufficient to pay its obligations as they mature or to fund liquidity needs, the Group may be forced to:

- reduce or delay participation in certain non-Concession related business activities, including complementary activities and research and development;
- sell certain non-core business assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of its debt, including the Notes, on or before maturity.

No assurances can be given that the Group would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Group's debt, including the terms and conditions of the Notes, limit, and any future debt may limit, the ability of the Group to pursue any of these alternatives.

***Sintonia owns a significant percentage of Atlantia's capital stock and effectively exercises control over the Group, and its interests may conflict with those of the holders of the Notes.***

As at the date of this Offering Circular, Sintonia owned 38.06% of the capital stock of Atlantia, 30.06% of which was held indirectly through Sintonia's wholly-owned subsidiary, Schemaventotto S.p.A. ("Schemaventotto"), and the rest of which was held directly. As a result, Sintonia is able to exercise effective control over the Group. Sintonia is controlled through Edizione (which holds 79.08% of Sintonia) by Benetton family members. See "Shareholders".

Circumstances may occur in which the interests of Sintonia could be in conflict with the interests of the holders of the Notes. In addition, Sintonia may pursue certain transactions that in its view will enhance its equity investment, even though such transactions may not be in the interest of the holders of the Notes.

***Autostrade Italia's Guarantee of the Notes may be limited.***

The Guarantee provides the Noteholders with a direct claim against Autostrade Italia. However, the Guarantee will be limited to 120% of the aggregate principal amount of any Tranche of the Notes and 120% of the interest on such Notes, accrued but not paid as at any date on which Autostrade Italia's liability under the Guarantee is determined. In the event that the limitations on the Guarantee apply and/or there are payment obligations under any Notes other than in respect of principal or interest, the Noteholders could have a reduced claim against Autostrade Italia.

### **Risks related to the Notes generally**

***There are certain 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 Noteholders. Set out below is a description of the most common such features:

#### *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, a Noteholder 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. Potential Noteholders should consider reinvestment risk in light of other investments available at that time.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal and/or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors. In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential Noteholders should be aware that the market price of such Notes may be volatile, they may receive no interest, payment of principal or interest may occur at a different time or in a different currency from that expected, they may lose all or a substantial portion of their principal, other factors may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, if another factor is applied to the Notes in conjunction with a multiplier greater than one or contains any other leverage factor, the effect of changes in the relevant factor on principal or interest payable is likely to be magnified, and the timing of changes in another factor may affect the actual yield to Noteholders, even if the average level is consistent with their expectations.

The Group has no control over a number of matters, including economic, financial and political events that are important in determining the existence, magnitude and longevity of such risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the Notes contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent years, values of certain indices and formulas have been volatile, and volatility in those and other indices and formulas may be expected in the future.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in a Noteholder losing all of his investment.

#### *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 the prevailing rates on its 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.

#### ***The Notes may not be a suitable investment for all Noteholders.***

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

- 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 Offering Circular or any applicable supplement;
- 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;
- 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 Noteholder's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 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 Noteholder 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 Noteholder's overall investment portfolio.

***There are no limitations to the Issuer's incurrence of additional debt in the future.***

The Issuer and the Guarantor are not prohibited from issuing, providing guarantees or otherwise incurring further debt ranking *pari passu* with their existing obligations and any future obligations arising under this Programme.

***The Notes do not contain covenants governing the Group's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material and adverse effect on the Notes and the holders thereof.***

The Notes do not contain covenants governing its operations and do not limit the Group's ability to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and its business. In the event the Group was to enter into such a transaction, Noteholders could be materially and adversely affected.

***The Issuer may amend the economic 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 Notes.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed or (ii) the substitution of another company as principal debtor or guarantor under any Notes in place of the Issuer, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes.

***There may be possible withholding tax on payments under the Notes.***

Under European Council Directive 2003/48/EC regarding the taxation of savings income, each Member State is required, from 1 July 2005, to provide the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. For the transitional period, Belgium was also allowed to apply a withholding system in relation to such payments. However, Royal Decree of 27 September 2009 (the "Belgian Decree") will terminate the transitional period in Belgium as from 1 January 2010. As from that date, the normal exchange of information system shall apply in Belgium. Article 8 of the Belgian Decree provides that the provisions of European Council Directive 2003/48/EC setting forth the information to be communicated to the tax authorities of other Member States applies to interest paid as from 1 January 2010, and accrued as from 1 July 2005, the date when European Council Directive 2003/48/EC was implemented in Belgium.

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or

collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

***Change of law.***

The Notes are governed by English law in effect as at the date of this Offering Circular (save for mandatory provisions of Italian law in certain cases). No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

***The Issuer may redeem the Notes prior to maturity and Noteholders may be unable to reinvest the proceeds of any such redemption in comparable securities.***

Unless in the case of any particular Tranche of Notes the applicable Final Terms specifies otherwise, in the event that the Issuer or the Guarantor 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 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 addition, if in the case of any particular Tranche of Notes the applicable Final Terms specifies that the Notes are redeemable at the Issuer's option or in certain other circumstances, the Issuer may choose to redeem those Notes at times when prevailing interest rates may be relatively low. In such circumstances a Noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

***Because the Global Notes are held by Euroclear and Clearstream, Luxembourg, Noteholders will have to rely on their procedures for transfer, payment and communication with the Issuer and the Guarantor.***

Notes issued under the Programme may be represented by one or more Global Notes, which will be deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note and the applicable Final Terms, Noteholders 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, Noteholders 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. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. 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 cannot assure holders that the procedures of Euroclear and Clearstream, Luxembourg will be adequate to ensure that holders receive payments in a timely manner. A holder 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.

***Denominations.***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note (should definitive notes be printed) and may need to purchase a principal amount of Notes such that, its holding is an integral multiple of the minimum Specified Denomination.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### **Risks related to the market generally**

***No prior market for Notes — if an active trading market does not develop for the Notes, the Notes may not be able to be resold.***

There is no existing market for the Notes, and there can be no assurance regarding the future development of a market for the Notes. Although application has been made to list the Notes issued under this Programme on the Irish Stock Exchange, no assurance can be made that the Notes will become or remain listed.

No assurance can be made as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell the Notes or the price at which Noteholders may be able to sell the Notes. The liquidity of any market for the Notes will depend on the number of Noteholders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Group's financial condition, performance and prospects, as well as recommendations of securities analysts. As a result, there can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. Illiquidity may have a severely adverse effect on the market value of the Notes.

***Fluctuations in exchange rates may adversely affect the value of Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the applicable Final Terms). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Noteholder's Currency") other than the Specified Currency. These include the risk that there may be a material change in the exchange rate between the Specified Currency and the Noteholder's Currency or that a modification of exchange controls by the applicable authorities with jurisdiction over the Noteholder's Currency will be imposed. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payments on the Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease (i) the Noteholder's Currency equivalent yield on the Notes, (ii) the Noteholder's Currency equivalent value of the principal payable on the Notes and (iii) the Noteholder'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, Noteholders 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 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. In addition, real or anticipated changes in the Issuer's credit ratings or the credit ratings of the Notes will generally affect the market 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.

***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 Noteholder should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) 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.





## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for the Group's general corporate purposes, including capital expenditures and investments.

## THE ISSUER

### Atlantia

#### *General*

Until May 2007 Atlantia was named Autostrade S.p.A., a company incorporated in Italy on 12 September 1950, as a *società per azioni* (joint stock company) under the laws of Italy by Italy's Institute for Industrial Reconstruction (*Istituto per la Ricostruzione Industriale*, or "IRI"). See "Business Description of the Group — Introduction — History" and "Shareholders" for further information on the history of Atlantia as well as its shareholders. Atlantia is registered with the *Registro delle Imprese* (Companies' Registry) in Rome under number 03731380261.

Pursuant to Atlantia's Memorandum and Articles of Association, effective as at 23 April 2009, the corporate purpose of Atlantia is to acquire equity investments and interests in other companies and entities, to engage in financing transactions for the companies or entities in which it owns interests and to engage in operations involving property, financial and business investments in Italy and abroad.

Atlantia can also, albeit not on a prevalent basis, purchase, manage, exploit, update and develop — directly or indirectly — trademarks, patents, and know-how concerning electronic toll systems and related or connected activities. Atlantia can undertake all commercial, industrial and financial, intangible and property transactions to accomplish its corporate purposes. The corporate purpose excludes all activities and operations *vis à vis* the public and any trustee activity. The corporate purpose also excludes public asset-gathering, the exercise of banking activities and other activities envisaged by Article 106 of Italian Legislative Decree No. 385 dated 1 September 1993, as well as investment services and collective asset management as envisaged by Italian Legislative Decree No. 58 dated 24 February 1998 and its related implementation regulations.

#### *Share Capital*

The authorised and subscribed share capital (*capitale sottoscritto*) of Atlantia is €571,711,557, fully paid up, divided into 571,711,557 registered, ordinary shares with a nominal value of €1.00 each. See also "Capitalisation and Indebtedness".

Sintonia holds 38.06% of the capital stock of Atlantia. For further information on the share capital and control of Atlantia, see "Shareholders".

#### *Registered Office*

The registered office of Atlantia is at Via Antonio Nibby, 20, 00161 Rome, Italy and its main telephone number is +39 06 4417 2610.

#### *Board of Directors*

Atlantia is administered by a Board of Directors (*Consiglio di Amministrazione*) composed of at least seven and up to fifteen members. The Board of Directors is composed of not less than seven and not more than fifteen members who are elected for a period of not more than three years and may be re-elected. The current members of the Board of Directors, comprised of fifteen members, were appointed by a resolution of Atlantia's shareholders' meeting held on 23 April 2009, and will hold office until the shareholders' meeting called for the approval of the financial statements for the year ending 31 December 2009. See "Management" for further information on the composition of the Board of Directors of Atlantia.

For the purposes of their function as members of the Board of Directors of Atlantia, the business address of each of the members of the Board of Directors is the registered office of Atlantia. Atlantia has no other managing body.

#### *Board of Statutory Auditors*

The current Board of Statutory Auditors (*collegio sindacale*) of Atlantia was appointed by a resolution of Atlantia's shareholders' meeting held on 23 April 2009, and will hold office until the shareholders' meeting called for the purpose of approving Atlantia's financial statements for the year ending 31 December 2011. The

current Board of Statutory Auditors is composed of five members. See “Management — Board of Statutory Auditors” for further information.

For the purposes of their function as members of the Board of Statutory Auditors of Atlantia, the business address of each of the members of the Board of Statutory Auditors is the registered office of Atlantia.

### ***Financial Statements***

Atlantia’s financial year ends on 31 December of each calendar year. Atlantia is required under Italian law to publish annual and interim reports. Copies of the latest annual report and annual audited consolidated and non-consolidated financial statements and the latest unaudited quarterly consolidated financial statements of Atlantia will be made available at the specified offices of the Paying Agents for so long as any of the Notes remain outstanding and at the registered office of Atlantia, in each case free of charge.

### ***Business***

Atlantia’s principal activity consists of holding shares in the operating companies of the Group.

### ***Organisational Structure***

See “Business Description of the Group” for further information on the organisational structure and principal activity of Atlantia and the Group.

## THE GUARANTOR

The Notes will be guaranteed by Atlantia's wholly-owned subsidiary, Autostrade Italia.

### **Autostrade Italia**

Autostrade Italia holds the Autostrade Italia Concession. The total assets of Autostrade Italia (excluding its subsidiaries) represented 87.5% (excluding consolidated adjustments) of the consolidated assets of the Group as at 31 December 2008 and Autostrade Italia (excluding its subsidiaries) accounted for 82.9% (excluding consolidated adjustments) of the total revenue of the Group in 2008.

### **General**

Autostrade Italia was incorporated in Italy on 29 April 2003, as a *società per azioni* (joint stock company) under the laws of Italy for a limited term expiring on 31 December 2050. Autostrade Italia is registered with the *Registro delle Imprese* (Companies' Registry) in Rome under number 07516911000.

Autostrade Italia's Memorandum and Articles of Association dated 22 April 2009, provide that the principal corporate purpose of Autostrade Italia is to build, manage and maintain motorways, transport infrastructure adjacent to the motorway system, parking and intermodal infrastructure and related activities. For further information on the business activities of Autostrade Italia, see "Business Description of the Group".

The activities listed in this article may be carried out both in Italy and abroad, either directly or by the acquisition, at any time, of participations in companies, consortia and associations, even temporary ones. In furtherance of its corporate purpose, Autostrade Italia may carry out any other activity, directly or indirectly, as well as any other commercial or financial transaction, involving rights and liabilities, movable or immovable assets, and issue guarantees, including mortgages, pledges and liens of any nature, for the benefit of companies, consortia and associations in which it holds a stake or which holds a stake in it.

The authorised and subscribed share capital (*capitale sottoscritto*) of Autostrade Italia is €622,027,000, divided into 622,027,000 fully paid up, registered ordinary shares with a nominal value of €1.00 each. See also "Capitalisation and Indebtedness".

### **Registered Office**

The registered office of Autostrade Italia is at Via Alberto Bergamini, 50, 00159 Rome, Italy and its main telephone number is +39 06 43631.

### **Board of Directors**

Autostrade Italia is administered by a Board of Directors (*Consiglio di Amministrazione*) currently composed of nine members appointed to the Board of Directors by a resolution of Autostrade Italia's shareholders' meeting held on 22 April 2009, and will hold office until the shareholders' meeting called for the approval of the financial statements for the year ending 31 December 2009.

The current members of the Board of Directors of Autostrade Italia are as follows:

<u>Name</u>	<u>Title</u>
Gian Maria Gros-Pietro .....	Chairman
Giovanni Castellucci .....	Chief Executive Officer
Valerio Bellamoli .....	Director
Stefano Cao .....	Director
Massimo Lapucci .....	Director
Carlo Malinconico .....	Director
Giuseppe Piaggio .....	Director
Roberto Pistorelli .....	Director
Giovanni Quaglia .....	Director

For the purposes of their function as members of the Board of Directors of Autostrade Italia, the business address of each of the members of the Board of Directors is the registered office of Autostrade Italia. Autostrade Italia has no other managing body.

***Board of Statutory Auditors***

The current Board of Statutory Auditors (*collegio sindacale*) of Autostrade Italia was appointed on 22 April 2009 in accordance with Autostrade Italia’s Memorandum and Articles of Association, and will hold office until the shareholders’ meeting called for the purpose of approving Autostrade Italia’s financial statements for the year ending 31 December 2011.

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

<u>Name</u>	<u>Title</u>
Alessandro Trotter.....	Chairman
Gaetana Celico .....	Auditor
Giandomenico Genta.....	Auditor
Antonio Mastrapasqua.....	Auditor
Stefano Meroi.....	Auditor
Salvatore Benedetto.....	Alternate Auditor
Francesco M. Bonifacio .....	Alternate Auditor

For the purposes of their function as members of the Board of Statutory Auditors of Autostrade Italia, the business address of each of the members of the Board of Statutory Auditors is the registered office of Autostrade Italia.

***Conflicts of Interest***

Except as disclosed in “Certain Relationships and Related Party Transactions,” as at the date hereof, the above mentioned members of the board of directors of the Guarantor do not have potential conflicts of interests between any duties to the Guarantor and their private interests or other duties.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated capitalisation and indebtedness of Atlantia as at 30 June 2009, on a historical basis, and should be read in conjunction with the financial statements incorporated by reference in this Offering Circular.

	<b>As at 30 June 2009</b>
	<b>Unaudited</b>
	<b>(€in thousands)</b>
<b>Cash and cash equivalents, trade receivables and bank deposits<sup>(1)</sup></b> .....	<b>1,985,061</b>
Current financial liabilities <sup>(2)</sup> .....	795,192
Non-current financial liabilities .....	11,379,458
<b>Total debt</b> .....	<b>12,174,650</b>
Equity attributable to non-controlling interests .....	368,793
Equity attributable to owners of the parent.....	3,740,180
<i>of which:</i>	
<i>Issued capital</i> .....	571,712
<i>Reserves and retained earnings</i> .....	2,998,401
<i>Treasury shares</i> .....	(215,644)
<i>Profit (loss) for the period after interim dividends</i> .....	385,711
<b>Total equity</b> .....	<b>4,108,973</b>
<b>Total capitalisation</b> .....	<b>18,268,684</b>

<sup>(1)</sup> Consists of cash and cash equivalents of €480.4 million and trade receivables of €869.3 million and bank deposits of €635.4 million.  
Restricted amounts are amounts held in restricted accounts pursuant to government grants.

<sup>(2)</sup> Includes current portion of medium-long term financial liabilities of €467.8 million.

There has been no material change in the capitalisation of Atlantia since 30 June 2009.

## SELECTED FINANCIAL DATA

The selected historical consolidated financial data as at and for the years ended 31 December 2006, 2007 and 2008 and as at and for the six months ended 30 June 2008 and 2009 set forth below were prepared in accordance with IFRS and have been derived from, and are qualified in their entirety by reference to, the consolidated financial statements of Atlantia and the notes thereto incorporated by reference in this Offering Circular. The consolidated financial statements as at and for the years ended 31 December 2006, 2007 and 2008 have been audited by KPMG S.p.A. The consolidated financial statements have been prepared in accordance with IFRS. See “Presentation of Financial and Other Data” for further information.

### Income Statement Data:

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	Audited			Unaudited	
	(€in thousands)				
<b>Revenue</b>					
Net toll revenues.....	2,686,356	2,767,229	2,853,010	1,389,865	1,345,944
Contract revenue.....	21,543	14,022	66,728	41,856	16,223
Other operating income .....	433,324	490,323	556,962	242,734	300,998
<b>Total revenue .....</b>	<b>3,141,223</b>	<b>3,271,574</b>	<b>3,476,700</b>	<b>1,674,455</b>	<b>1,663,165</b>
<b>Costs</b>					
Raw and consumable materials .....	(135,285)	(131,654)	(131,211)	(59,093)	(58,822)
Service costs .....	(403,353)	(422,776)	(505,818)	(221,229)	(209,792)
Gain/(loss) on sale of property, plant and equipment.....	(486)	(2,435)	1,008	(291)	536
Net staff costs .....	(525,807)	(512,495)	(592,463)	(286,252)	(296,852)
Other operating costs .....	(130,331)	(198,920)	(216,011)	(82,603)	(84,285)
Amortisation and depreciation.....	(325,402)	(374,334)	(404,950)	(196,791)	(201,928)
(Impairment losses)/reversal of impairment losses.....	(14,190)	14,323	(11,404)	(5,270)	(3,628)
<b>Total costs.....</b>	<b>(1,534,854)</b>	<b>(1,628,291)</b>	<b>(1,860,849)</b>	<b>(851,529)</b>	<b>(854,771)</b>
<b>Operating profit.....</b>	<b>1,606,369</b>	<b>1,643,283</b>	<b>1,615,851</b>	<b>822,926</b>	<b>808,394</b>
<b>Financial income/(expenses) .....</b>	<b>(444,821)</b>	<b>(441,457)</b>	<b>(458,308)</b>	<b>(226,395)</b>	<b>(216,355)</b>
<b>Share of (profit)/loss of associates and joint ventures accounted for using the equity method.....</b>	<b>3,815</b>	<b>(5,663)</b>	<b>(28,190)</b>	<b>(18,552)</b>	<b>7,756</b>
<b>Profit/(loss) before tax from continuing operations.....</b>	<b>1,165,363</b>	<b>1,196,163</b>	<b>1,129,353</b>	<b>577,979</b>	<b>599,795</b>
<b>Income tax expense.....</b>	<b>(492,953)</b>	<b>(820,062)</b>	<b>(408,584)</b>	<b>(204,103)</b>	<b>(218,879)</b>
<b>Profit/(loss) from continuing operations.....</b>	<b>672,410</b>	<b>376,101</b>	<b>720,769</b>	<b>373,876</b>	<b>380,916</b>
<b>Profit/(loss) from discontinued operations/assets held for sale.....</b>	<b>—</b>	<b>15,609</b>	<b>19,649</b>	<b>(115)</b>	<b>807</b>
<b>Profit/(loss) for the period.....</b>	<b>672,410</b>	<b>391,710</b>	<b>740,418</b>	<b>373,761</b>	<b>381,723</b>



**Balance Sheet Data:**

	As at 31 December			As at 30 June	
	2006	2007	2008	2008	2009
	Audited			Unaudited	
	(€in thousands)				
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment .....	7,709,788	8,556,427	9,145,766	8,821,592	9,531,451
Intangible assets .....	4,483,373	4,609,263	4,588,348	4,603,626	4,624,294
Investments .....	205,154	189,958	187,837	185,110	401,423
Other financial assets .....	739,259	748,086	583,247	666,706	486,044
Deferred tax assets .....	2,194,520	1,737,370	1,758,817	1,697,428	1,729,913
Other assets .....	7,778	6,107	4,816	5,447	34,313
<b>Total non-current assets.....</b>	<b>15,339,872</b>	<b>15,847,211</b>	<b>16,268,831</b>	<b>15,979,909</b>	<b>16,807,438</b>
<b>Current assets</b>					
Trading assets.....	823,137	808,348	857,239	893,696	940,569
Cash and cash equivalents.....	76,672	90,905	129,833	111,908	480,446
Other financial assets .....	230,154	167,780	234,271	268,108	836,331
Current tax assets .....	62,677	65,836	37,790	164,311	171,619
Other assets .....	84,279	165,656	150,322	110,652	178,702
Non-current assets and disposal groups held for sale .....	-	-	-	-	83,778
<b>Total current assets .....</b>	<b>1,276,919</b>	<b>1,298,525</b>	<b>1,409,455</b>	<b>1,548,675</b>	<b>2,691,445</b>
<b>Total Assets .....</b>	<b>16,616,791</b>	<b>17,145,736</b>	<b>17,678,286</b>	<b>17,528,584</b>	<b>19,498,883</b>

	As at 31 December			As at 30 June	
	2006	2007	2008	2008	2009
	Audited			Unaudited	
	(€in thousands)				
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity attributable to owners of the parent .....	3,574,429	3,631,803	3,615,483	3,722,384	3,740,180
Equity attributable to non-controlling interests.....	288,112	379,467	370,609	387,972	368,793
<b>Total equity .....</b>	<b>3,862,541</b>	<b>4,011,270</b>	<b>3,986,092</b>	<b>4,110,356</b>	<b>4,108,973</b>
<b>Non-current liabilities</b>					
Provisions.....	1,052,472	1,084,318	1,150,308	1,088,576	1,167,345
Financial liabilities.....	9,195,492	9,329,512	9,862,121	9,329,066	11,379,458
Deferred tax liabilities.....	1,147	20,028	26,931	10,120	17,983
Other liabilities.....	66,566	77,942	101,386	88,653	112,515
<b>Total non-current liabilities.....</b>	<b>10,315,677</b>	<b>10,511,800</b>	<b>11,140,746</b>	<b>10,516,415</b>	<b>12,677,301</b>
<b>Current liabilities</b>					
Provisions.....	222,165	205,495	215,776	208,175	218,005
Trading liabilities .....	628,526	683,860	666,000	572,606	621,149
Financial liabilities.....	796,098	918,438	840,022	1,092,623	795,192
Current tax liabilities.....	64,763	39,334	48,563	193,163	184,165
Other liabilities.....	727,021	775,539	781,087	835,246	894,098
<b>Total current liabilities.....</b>	<b>2,438,573</b>	<b>2,622,666</b>	<b>2,551,448</b>	<b>2,901,813</b>	<b>2,712,609</b>
<b>Total liabilities .....</b>	<b>12,754,250</b>	<b>13,134,466</b>	<b>13,692,194</b>	<b>13,418,228</b>	<b>15,389,910</b>
<b>Total equity and liabilities.....</b>	<b>16,616,791</b>	<b>17,145,736</b>	<b>17,678,286</b>	<b>17,528,584</b>	<b>19,498,883</b>

**Key Non-IFRS Financial Ratios:**

	Year ended 31 December		
	2006	2007	2008
	(€in millions, except percentages and ratios)		
Gross operating profit (EBITDA) <sup>(1)</sup> .....	1,989	2,068	2,115
Net debt <sup>(2)</sup> /EBITDA.....	4.5	4.5	4.6
EBITDA/financial income (expenses).....	4.5	4.7	4.6
EBITDA margin <sup>(3)</sup> .....	63.3%	63.2%	60.8%
Purchases and capitalisations as a percentage of total revenue <sup>(4)</sup> .....	37.5%	38.2%	32.8%

<sup>(1)</sup> EBITDA is calculated as operating profit, plus impairment losses on assets and reversals of impairment losses, amortisation, depreciation, and provisions and other adjustments. See “Presentation of Financial and Other Data” for further information.

<sup>(2)</sup> The Group’s net debt is calculated by aggregating current and non-current financial liabilities and subtracting other current and non-current financial assets and cash and cash equivalents.

<sup>(3)</sup> EBITDA margin is calculated by dividing EBITDA by the line item “total revenue”.

<sup>(4)</sup> Purchases and capitalisations for the years ended 31 December 2006, 2007 and 2008 were €1,177 million, €1,249 million and €1,139 million, respectively.

## BUSINESS DESCRIPTION OF THE GROUP

### Introduction

#### *Business of the 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, including the design of motorways and toll collection equipment, as well as the provision of paving, maintenance, toll collection and traffic information services. The Group is principally engaged in the operation and management of Italian toll motorways under concessions, as described below. In 2008, the Group had total revenue of €3,476.7 million and profit for the period of €740.4 million.

Atlantia is the parent company of the Group and acts as a holding company for Autostrade Italia. Autostrade Italia holds the Autostrade Italia Concession, the Group's primary concession relating to a motorway network in Italy. The Autostrade Italia Concession and the other concessions for motorways in Italy (each, a "Concession") held by subsidiaries of the Group (together with Autostrade Italia, the "Motorway Subsidiaries") are granted by ANAS, a joint-stock company owned by the Italian Ministry of Treasury which is entrusted with the supervision of the Italian road and motorway system. The Concessions give the Motorway Subsidiaries the right to finance, construct, operate and maintain networks of motorways in Italy (the "Italian Group Network") during the term of the Concessions. The Italian Group Network comprises approximately 3,413 kilometres of motorways in Italy, of which the Autostrade Italia Concession (the "Autostrade Italia Network") accounts for approximately 2,855 kilometres. In terms of kilometres, as at 31 December 2008 the Italian Group Network accounted for approximately 60% of the entire Italian toll motorway system and approximately 52% of all motorways in Italy, and, during the year ended 31 December 2008 carried approximately 66% of the total traffic volume on the Italian toll motorway system. In addition, the Group has companies that hold concessions to operate toll motorways outside of Italy which are not considered part of the Italian Group Network. See "— Business of the Group — Motorway Activities — International Motorway Activities".

The Group derives most of its revenue from tolls paid in Italy by users of the Italian Group Network. For the year ended 31 December 2008, revenues from tolls paid in Italy by the users of the Italian Group Network were €2,814.0 million, or approximately 80.9% (excluding consolidated adjustments), of the consolidated revenue of the Group. Toll revenues are a function of traffic volumes and tariffs charged. Tariff rates applied to the Italian Group Network are regulated in accordance with Italian laws and the various Concession contracts. Adjustments in tariff rates for the majority of the Group's Concessions are made on an annual basis and determined in accordance with their respective concession contracts. See "— Regulatory — the Autostrade Italia Concession — Tariff Rates".

The Italian Group Network also includes 255 service areas, where petrol stations, shops and restaurants are located. These service areas are operated by third parties pursuant to subcontracts granted to them by the Group. After toll revenues, royalties paid to the Group by such third-party subcontractors, together with sales or leasing of automated toll collection technologies (and related services), fees from motorway-related services and contract works to third parties, account for substantially all of the remaining revenues of the Group. See "— Business of the Group — Service Areas".

All Motorway Subsidiaries are required by the terms of their Concessions to make capital investments (such as increasing the number of lanes on a motorway section or upgrading a motorway) pursuant to an approved investment plan. Such investments are designed to decrease congestion on the Italian Group Network and improve traffic flows and the efficiency and safety of the Italian Group Network. The Group currently expects to invest approximately between €11.7-13.5 billion (excluding government grants, capitalised costs, ongoing capital expenditures and non-motorway investments) between 2009 and 2021 on the Italian Group Network. See "— Motorway Capital Expenditures — Works" and "Risk Factors".

All of the Concessions held by the Motorway Subsidiaries are set to expire between 2012 and 2038 (other than the Mont Blanc Tunnel Concession, which expires in 2050). The Autostrade Italia Concession, which contributed 82.9% (excluding consolidated adjustments) of the Group's revenues in 2008, expires in 2038. See "— Regulatory — The Autostrade Italia Concession". Each Concession provides that, upon its expiration, the toll motorways and the related infrastructure are to return to ANAS, or, in the case of the Mont Blanc Tunnel (as

defined below), to ANAS and the French Government, in a good state of repair and condition without (in all but one case) compensation to the Group. See “— Regulatory”.

Although the principal activities of the Group remain focused on the construction, operation and maintenance of the Italian Group Network, in recent years the Group has begun to diversify its business operations, both geographically and through expansion into other businesses related to the operation and management of motorways. Such related businesses include the provision of automated toll collection technologies for the Group and third parties, motorway design, paving services, parking areas and traffic information services.

In September 2009 the Group was included in the Dow Jones Sustainability Index, the global corporate social responsibility index that selects the best enterprises from the 2,500 international companies in the Dow Jones Global indices, based on economic, environmental and social criteria. Atlantia ranks as one of the best performers in the transport and infrastructure sector, obtaining the highest possible score in the Dow Jones Sustainability Index for Customer Relationship Management, Fuel Efficiency, Environmental Reporting and Occupational Health and Safety.

### ***History***

Until May 2007, Atlantia was named Autostrade S.p.A. (“Autostrade”). Autostrade was incorporated as a *società per azioni* (joint stock company) under the laws of Italy in September 1950 by IRI. In April 1956, Autostrade was granted its original concession by ANAS. The concession gave Autostrade the right to construct, operate and maintain the A1 Milan-Naples, which now serves as the central North-South artery of the Italian motorway network. Subsequent renewals of, and concession deeds auxiliary to, the original concession were granted in 1962 and 1968 by ANAS, which increased the length of the toll motorways and the adjacent service areas under the control of Autostrade.

The Group was established in 1982 with the incorporation of Società Italiana per Azioni per il Traforo del Monte Bianco (“Mont Blanc Tunnel”), Tangenziale di Napoli S.p.A. (“Tangenziale di Napoli”) and Autostrada Torino-Savona S.p.A. (“Torino-Savona”), which became subsidiaries of Autostrade (now Atlantia). Beginning in 1996, the Group acquired companies active in motorway design, works supervision and motorway paving as part of the Group’s plan to integrate vertically and expand its activities.

IRI continued to own and control Autostrade directly or indirectly from the time of its incorporation until Autostrade’s privatisation in 1999. Following a corporate reorganization of the Group, Autostrade transferred all of its motorway business to Autostrade Italia, a wholly-owned subsidiary incorporated in 2003.

The following chart sets forth the ownership structure of the principal companies within the Group as at the date hereof.



(\*) The remaining 3.85% is held by Autostrade Tech S.p.A.

(\*\*) The remaining 25% is held by Autostrade Participations S.A.

## Strategy

The main strategic objective of the Group is to increase stakeholder value while focusing on improving the quality and range of services offered to its customers. To achieve this, the Group's strategy includes:

- A continuous focus and commitment to efficiency alongside quality of service;
- Finalizing new investments to remove bottlenecks on the existing network to enable long term traffic growth; and
- Accelerating international growth leveraging on leading industry knowledge and expertise and co-investing with other partners to pursue risk and geographical diversification.

## Business of the Group

The following table provides a breakdown of Group revenues by area of activity for the three years ended 31 December 2008.

	Year ended 31 December					
	2006		2007		2008	
	(€in millions)	(% of Group revenues)	(€in millions)	(% of Group revenues)	(€in millions)	(% of Group revenues)
Motorway Activities <sup>(1)</sup> .....	2,686.4	85.5%	2,767.2	84.6%	2,853.0	82.1%
Service Areas <sup>(2)</sup> .....	177.4	5.6%	190.2	5.8%	237.4	6.8%
Other Business Activities <sup>(3)</sup> ...	277.5	8.8%	314.1	9.6%	386.3	11.1%
<b>Total</b> .....	<b>3,141.2</b>	<b>100.0%</b>	<b>3,271.6</b>	<b>100.0%</b>	<b>3,476.7</b>	<b>100%</b>

<sup>(1)</sup> Revenues from motorway activities are composed of net toll revenues.

<sup>(2)</sup> Income from service areas are composed of service area royalties from subcontracts.

<sup>(3)</sup> Revenues from other business activities are composed of contract revenue, revenues from Telepass and Viacard fees, other sales and service revenues (relating to the sale of technology devices and services, advertising, maintenance, reimbursements, lease rentals and damages received) and other non-recurring income.

## Motorway Activities

The Group derives the predominant part of its revenues from its motorway activities, primarily through collection of tolls in Italy and internationally. Revenues attributable to the Group's net toll revenues accounted for 82.1% of the Group's revenues in the year ended 31 December 2008.

### Italian Motorway Activities

Road transportation plays a leading role in meeting the demand for transportation in Italy. Based on information available from the Italian Ministry of Infrastructure, in 2008 transportation by road comprised 62.3% of the total traffic of goods and 92.2% of total passenger traffic in Italy and 61.5% and 92.6% in 2007, respectively. These percentages have been substantially stable for the past five years.

As at 31 December 2008, Italian toll and non-toll motorways, including tunnels, bridges and viaducts (the "Italian Motorway Network"), consisted of 6,588 kilometres of motorways, 5,694 kilometres of which were toll motorways operated by motorway concessionaires. The Group manages a total of 3,413 kilometres of the Italian Motorway Network, while the remaining 3,175 kilometres are managed partly by other motorway concessionaires (2,281 kilometres) and partly by ANAS (894 kilometres) directly.

The table below sets forth a breakdown, by concessionaire, of the toll motorways in operation under concessions in Italy as at 31 December 2008.

Concessionaire	Toll Motorway	Kilometres	Percentage of Total
<b>Italian Group Network</b> ....	Autostrade Italia.....	2,854.6	50.1%
	Strada dei Parchi .....	281.4	5.0%
	Torino-Savona .....	130.9	2.3%
	Autostrade Meridionali .....	51.6	0.9%
	Società Autostrada Tirrenica.....	36.6	0.6%
	Raccordo Autostradale Valle d'Aosta.....	32.3	0.6%
	Tangenziale di Napoli.....	20.2	0.3%
	Mont Blanc Tunnel .....	5.8 <sup>(1)</sup>	0.1%
	<b>Total</b> .....	<b>3,413.4</b>	<b>60.0%</b>
<b>Gavio Group</b> .....	S.A.T.A.P.....	291.9	5.1%
	A.T.I.V.A.....	155.8	2.7%
	S.A.V. ....	67.4	1.2%
	S.A.L.T. ....	154.9	2.7%

<u>Concessionaire</u>	<u>Toll Motorway</u>	<u>Kilometres</u>	<u>Percentage of Total</u>
	Autostrada dei Fiori .....	113.3	2.0%
	Autocamionale della Cisa .....	101.0	1.8%
	<b>Total</b> .....	<b>884.3</b>	<b>15.5%</b>
<b>Other</b> .....	Autobrennero .....	314.0	5.5%
	Consorzio Siciliane .....	268.2	4.7%
	Brescia-Padova .....	182.5	3.2%
	Autovie Venete .....	189.0	3.3%
	Serravalle Milano .....	177.6	3.1%
	Asti-Cuneo .....	39.4	0.7%
	Centro Padane .....	88.6	1.6%
	S.I.T.A.F. ....	82.5 <sup>1</sup>	1.5%
	Venezia Padova.....	41.8	0.7%
	Great St. Bernard Tunnel .....	12.8 <sup>1</sup>	0.2%
	<b>Total</b> .....	<b>1,396.4</b>	<b>24.5%</b>
	<b>Total Toll Motorways Under Concession</b> .....	<b>5,694.2</b>	<b>100.0%</b>

<sup>(1)</sup> Represents that portion of the tunnel located in Italy.

For a discussion of competition between the Group and third-party toll and State-run motorways as well as with alternative modes of transportation, see “— Competition”.

#### *International Motorway Activities*

International Motorway Activities accounted for approximately 2.4% (excluding consolidated adjustments) of the Group’s revenues in 2008. Atlantia’s principal international activities are described below.

##### *Stalexport Autostrady*

Autostrade Italia owns a 56.2% stake in Stalexport Autostrady S.A. (“Stalexport”), which operates the 61 kilometre A4 stretch from Krakow to Katowice in Poland. The concession contract is scheduled to expire in 2027. Stalexport is fully consolidated in Atlantia’s financial accounts.

##### *Dulles-Greenway Toll Motorway*

Autostrade International of Virginia O&M Inc., an indirect subsidiary of Autostrade Italia, operates and maintains the privately owned, 14 mile Dulles-Greenway toll motorway in Virginia, United States. This contract for operation and maintenance is scheduled to expire in 2036.

##### *Costanera Norte Motorway*

Autostrade Italia holds a 45.0% interest in Costanera Norte S.A. (“Costanera”) along with SIAS S.p.A. (“SIAS”), which holds 45.0%, and Mediobanca, which holds 10.0%. SIAS is an Italian industrial holding company operating, through various subsidiaries, in the motorway, technology and construction sectors. Costanera operates the 43 kilometre Costanera Norte toll motorway in Santiago, Chile. The concession contract is scheduled to expire in 2033. Costanera is consolidated by Atlantia using the equity method of accounting.

##### *Motorway Acquisitions in Chile, Brazil and Portugal*

On 26 June 2009 Autostrade Italia acquired several assets from the Itinere group, a Spanish concession group. As a result, Autostrade Italia now holds interests in the companies described below in Chile, Brazil and Portugal. The purchase price for these investments was approximately €434 million. The transaction was undertaken to strengthen the Group’s international presence, particularly in Chile and Brazil where the Group sees growth potential and a relatively stable regulatory framework.

Autostrade per il Cile S.r.l. (“Autostrade Cile”), which is 50% held by Autostrade Italia and 50% held by SIAS, owns (directly or indirectly):

- 50% of Autopista Vespucio Sur S.A., the holder of the concession expiring in 2032 for the 23 kilometres southern section of the orbital toll motorway serving the city of Santiago del Chile;
- 50% of Litoral Central S.A., the holder of the concession expiring in 2031 for the 80 kilometre toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile (the Group is exploring the possibility of selling this investment and therefore it is currently classified as an investment held for sale);
- 100% of Autopista Nororiente S.A., the holder of the concession expiring in 2044 for the 21 kilometre northeastern bypass in the city of Santiago del Chile;
- 100% of Gestion Vial S.A., the company responsible for road maintenance and construction on the sections of motorway operated by Autopista Nororiente S.A., Sociedad Concesionaria de Los Lagos S.A., Autopista Vespucio Sur S.A. and Litoral Central S.A.; and
- 50% of Sociedad de Operacion Y Logistica de Infraestructura S.A., the company responsible for road maintenance and construction on the section of motorway operated by Autopista Vespucio Sur S.A.;

through Autostrade dell’Atlantico S.r.l., a wholly-owned subsidiary of Autostrade Italia owns (directly or indirectly):

- 100% of Sociedad Concesionaria de Los Lagos S.A., the holder of the concession expiring in 2023 for the 135 kilometre section of toll motorway between Rio Bueno and Puerto Montt in Chile;
- 50% of Triangulo do Sol S.A., the holder of the concession expiring in 2021 for 442 kilometres of toll motorway in the state of Sao Paulo in Brazil;
- 17.2% of Lusoponte-Concesionaria Para a Travessia do Tejo S.A., the holder of the concession for two toll bridges of 20 kilometres that cross the Tagus river in Lisbon, Portugal (the Group is exploring the possibility of selling this investment and therefore it is currently classified as an investment held for sale);
- 12.0% of Via Litoral-Concessoes Rodoviaras da Madeira S.A., the holder of the concession for 44 kilometres of motorway in the south of the island of Madeira, governed by Portugal;
- other minority interests in certain Portuguese motorway concession holders; and
- 100% of Autostrade Portugal-Concessoes de Infraestructuras S.A. (previously Somague Itinere S.A.), a Portuguese-registered company that holds investments in Triangulo do Sol S.A. and in the above concessionaires in Portugal.

In addition, as at 30 June 2009 Autostrade dell’Atlantico S.r.l. owned 25% of Auto Estradas do Oeste–Concessoes Rodoviaras de Portugal S.A. (the Portuguese holding company that owns 50% of Auto Estradas do Atlantico, the holder of the concession for 170 kilometres of toll motorway to the north of Lisbon in Portugal). However, the Group sold this investment in October 2009.

#### *Pune-Solapur Motorway*

On 17 February 2009, Atlantia, together with its 50% consortium partner Navinya Buildcon Private Limited, a wholly-owned subsidiary of the Tata group, was awarded the concession for the 110 kilometre Pune-Solapur section of motorway in the Indian state of Maharashtra. The concession has a term of 21 years, envisages application of a direct toll to be paid by users, with tariff increases to consist of a fixed portion and a portion indexed at 40% of wholesale inflation. The concessionaire is required to carry out construction work in order to widen the motorway from two to four lanes and will be responsible for managing and maintaining the section throughout the concession term. The Group expects that the new concession agreement will be signed by the end of 2009.

#### **Service Areas**

Currently, there are 255 service areas on the Italian Group Network (a total of 259 including those on the Stalexport network). All service areas include full-service petrol stations, and most include self-service mini-



markets and offerings of food and beverages. Some service areas include additional accessory services, such as motels, repair garages, shops and information services. Service areas are located, on average, at intervals of 27 kilometres along the Italian Group Network. Currently three new service areas are being constructed.

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 in accordance with the 1997 Concession Agreement and, with respect to food, beverage and mini-market Subcontracts, in accordance with the Anti-Trust Decision (as defined below). Independent expert appraiser Roland Berger Strategy Consultants currently conducts the bid process for the Group’s food, beverage and mini-market Subcontracts. See “— Regulatory — Subcontracts for Services on the Motorways”. In 2008, Subcontracts were awarded for 85 restaurants and 87 petrol stations at the end of a transparent competitive tender process, conducted by an independent external adviser. The current Subcontracts expire in 2009. The table below sets forth the total consolidated income from service areas at the Group derived from royalty payments from the Subcontractors, divided into major product and service lines, for the three years ended 31 December 2008.

	<b>Year ended 31 December</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
	(€in millions)		
<i>Autostrade Italia royalties, of which:</i>			
petrol sales and car services.....	104.0	107.1	109.1
food and beverages and sales of goods.....	65.5	69.3	72.1
extraordinary royalties <sup>(1)</sup> .....	0.2	2.2	42.2
<b>Total Autostrade Italia royalties</b> .....	<b>169.7</b>	<b>178.6</b>	<b>223.4</b>
Other Motorway Subsidiaries royalties .....	7.7	11.6	14.0
<b>Total Group Royalties</b> .....	<b>177.4</b>	<b>190.2</b>	<b>237.4</b>

<sup>(1)</sup> Extraordinary royalties consist of one-off payments relating to the granting or renegotiation of Subcontracts.

At the end of 2008 the largest petrol station Subcontractor of the Group was ENI S.p.A. (“ENI”), with 58 petrol points of sale, and the second largest petrol station Subcontractor was Tamoil, with 50 points of sale, which accounted for 23% and 20%, respectively, of the petrol stations in the Groups motorway service areas.

In 2008, the largest food, beverage and retail Subcontractor of the Group was Autogrill, with 147 food, beverage and retail Subcontracts. Autogrill is controlled by Edizione, an investment company controlled by the Benetton family. See “Shareholders”. Pursuant to the Anti-Trust Decision (as defined below), so long as Edizione is its majority shareholder, Autogrill may not hold more than 72% of the Group’s food, beverage and retail Subcontracts. See “— Regulatory — Subcontracts for Services on the Motorways”. The second largest food, beverage and retail Subcontractor is Maglione (Sarni Group), with 27 Subcontracts.

### **Other Business Activities**

In recent years, the Group has developed businesses that are related to its core toll motorway business. The Group provides non-Group motorway concessionaires with automated toll collection systems, in particular the Telepass system and Viacard, and offers maintenance services related to these systems. In addition, the Group

provides third parties with data and information related to traffic conditions and software designed to manage such information. The following companies constitute the Other Business Activities of the Group.

***Autostrade Tech S.p.A. and Telepass S.p.A.***

Autostrade Tech S.p.A. is a 100% subsidiary of Autostrade Italia and Telepass S.p.A. is held by both Autostrade Tech S.p.A. and Autostrade Italia. These companies were formed in December 2007 as part of a revision of the organisational model for the Telepass motorway toll payment system in order (i) to comply with EU laws requiring, among other things, the separation of concessionaires from toll collectors and (ii) to make better use of Autostrade Italia's expertise and assets for the development of business to business technologies and the sale of toll payment systems on the business to consumer market.

***SPEA Ingegneria Europea S.p.A.***

SPEA Ingegneria Europea S.p.A. ("SPEA") is controlled by Autostrade Italia and is responsible for (i) substantially all design, supervision and environmental compliance with respect to any significant upgrading or construction on the Italian Group Network, as well as (ii) for monitoring of significant bridges, viaducts and tunnels. In addition, SPEA provides similar services to third parties.

***Pavimental S.p.A.***

Pavimental S.p.A. ("Pavimental") is 71.67% owned by Autostrade Italia. Pavimental's primary activity is providing paving and construction services for the Group. Pavimental also provides similar paving services to third parties.

***Giove Clear S.r.l. and Tirreno Clear S.r.l.***

Giove Clear S.r.l. and Tirreno Clear S.r.l. are both wholly-owned subsidiaries of Autostrade Italia and were established in the fall of the 2007 in order to introduce, on an experimental basis, the internal provision of services, as opposed to the use of subcontractors, for the cleaning of service area facilities (e.g. Giove East/West and Tirreno East/West service areas).

***Autostrade Service-Servizi al Territorio S.p.A.***

Autostrade Service-Servizi al Territorio S.p.A. was formed in December 2007 as a wholly-owned subsidiary of Autostrade Italia and to which Autostrade Italia's division providing operation and maintenance services to the Italian Group Network was transferred on 1 March 2008. The company was formed in order to take advantage of the opportunities of a market of significant size and definite interest to the Group through greater focus on this type of business.

***Electronic Transaction Consultants Corporation***

In December 2007, Autostrade Italia acquired a 45% interest in Electronic Transaction Consultants Corporation ("ETC") through Autostrade International US Holdings. In addition, Autostrade Italia has a call option expiring on 31 July 2012 that provides the right to purchase the remaining 55% of ETC. ETC is based in Texas (in the United States of America) and provides system integration, hardware and software maintenance, customer services and consultancy in the field of free flow electronics toll collection systems. ETC has contracts to provide Open Road Tolling and High Occupancy Tolling systems in Texas, Illinois, Washington and Louisiana.

***Impregilo S.p.A.***

Autostrade Italia has a 33.3% interest in IGLI S.p.A., which owns 29.9% of Impregilo S.p.A. ("Impregilo"), the largest Italian company operating in the sectors of motorway building and infrastructure construction and services, environmental systems and concessions. Impregilo owns motorway concessions in Argentina, Brazil and Italy.

### ***TowerCo S.p.A.***

TowerCo S.p.A. (“TowerCo”) is wholly-owned by Atlantia. The company was formed to operate the business of tower management along the Italian Group Network, to exploit the Group’s assets by offering mobile phone operators integrated infrastructures for radio coverage of motorways, tunnels and adjacent city areas. The Group entered into contracts with the main Italian cellular phone service providers, Telecom Italia S.p.A., Wind S.p.A. and Vodafone S.p.A. As at 30 June 2009, 258 sites had been completed, 10 sites were under construction and a further 70 sites were being designed or at the authorisation stage. TowerCo’s operational strategy is to extend its business model beyond the Group’s concessions areas above all to those of ANAS as well as to other road concessionaires and to properties owned by municipalities.

### ***Infoblu S.p.A.***

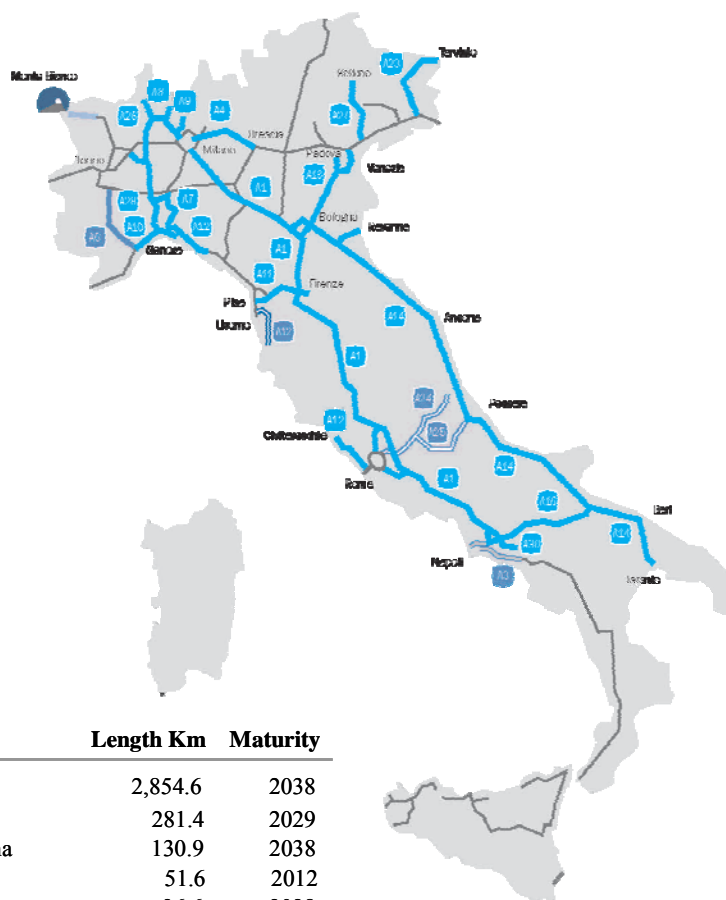
Infoblu S.p.A. (“Infoblu”) is a subsidiary of Autostrade Italia and provides traffic information via radio and television broadcasts. In addition, pursuant to an agreement with Telecom Italia Mobile, customers of Telecom Italia Mobile can receive real-time information on traffic and other services via their mobile handsets. The Group intends to extend access of its Infoblu services to customers of other mobile telecommunications operators. In October 2009, Autostrade Italia sold 25% of its shareholding in Infoblu.










### ***Other Investments***

In addition to the subsidiaries and interests held by Autostrade Italia listed above, Autostrade Italia holds interests in the following companies: 100.0% of EssediEsse Società di Servizi S.p.A., which provides administrative, payroll, general and facility management services for the entire Group; 75.0% of AD Moving S.p.A., which sells advertising space and services and manages events at service areas; 70.0% of Port Mobility S.p.A., which manages services within the Port of Civitavecchia; and 51.0% of Newpass S.p.A., which operates automated payment systems. In addition, Atlantia holds 8.85% of the share capital of Alitalia S.p.A., the Italian airline company.

## The Italian Group Network

### Network of motorway concessions held by Group subsidiaries



Concessionaire	Length Km	Maturity
 Autostrade per l'Italia	2,854.6	2038
 Strada dei Parchi	281.4	2029
 Autostrada Torino-Savona	130.9	2038
 Autostrade Meridionali	51.6	2012
 Autostrada Tirrenica	36.6	2028
 Raccordo Autostradale Valle d'Aosta	32.3	2036
 Tangenziale di Napoli	20.2	2037
 Mont Blanc tunnel	5.8	2050
<b>Total Group network</b>	<b>3,413.4</b>	
 ANAS and other concessionaires		

The Italian Group Network is the largest concessionaire network in Italy in terms of length, constituting 52% of the Italian motorway system and 60% of the Italian toll motorway system as at 31 December 2008. The Italian Group Network also constituted 8% of the entire European toll motorway network, in terms of kilometres, at the end of 2008, constituting the longest single European toll motorway network. In 2008, traffic volume on the Italian Group Network, as measured by the number of kilometres travelled, was approximately 55.1 billion kilometres, accounting for approximately 66% of total traffic volume on the Italian toll motorway system.

Concessions for the Italian Group Network are held by Autostrade Italia and the following other Motorway Subsidiaries: Mont Blanc Tunnel, Raccordo Autostradale Valle d'Aosta S.p.A. ("RAV"), Torino-Savona, Società Autostrada Tirrenica S.p.A. ("SAT"), Tangenziale di Napoli, Società Autostrade Meridionali S.p.A. ("SAM"), and Strada dei Parchi. The Group also holds minority interests in companies which have been recently awarded concessions to operate toll motorways in Italy, e.g. Società Infrastrutture Toscane S.p.A., or that are promoting the construction of new toll motorways, e.g. Tangenziali Esterne di Milano, none of which have commenced operations.

The two principal motorways of the Italian Group Network are the A1 Milan-Naples motorway and the A14 Bologna-Taranto motorway, which constitute approximately 47% of the total length of the Italian Group Network. These motorways are main arteries of the Italian motorway system, connecting northern and southern

Italy and linking Italy to neighbouring countries. The other motorways that form the Italian Group Network permit access to the interior of Italy as well as to certain international connections. The Italian Group Network comprises 24 toll motorway segments that run across 15 regions, 60 provinces and 12 metropolitan areas within Italy, which account for the majority of Italy's working population and gross domestic product. The Italian Group Network's junctions with other motorways and roadways are located in areas designed to provide adequate access to the Italian Group Network, as well as to ordinary non-toll roads and other transportation networks. Currently, approximately 260 train stations, 26 ports, over 130 interports (areas where heavy-goods vehicles collect and deposit freight) and 19 airports are linked by the Italian Group Network. The Italian Group Network also comprises 290 toll stations and 255 service areas (not including those on Stalexport), where petrol stations, shops and restaurants are located. See "— Business of the Group — Service Areas".

As a result of an integration project begun in the latter half of the 1980s, the Italian Group Network is also directly linked to the Italian motorways operated and managed by non-Group motorway concessionaires. Together, the Italian Group Network and these motorways run for an aggregate length of approximately 6,588 kilometres (including the motorways operated by ANAS). The Italian Group Network also controls four of the eight motorways that are connected to other European motorways through the Alps, including the Mont Blanc Tunnel.

The table below sets forth a list of the toll motorways included in the Italian Group Network, the length of each of these motorways in operation and the portion of each of these motorways having three or more lanes, as at 31 December 2008.

Concessionaire	Motorway	In Operation	Portion Having At Least Three Lanes (in kilometres)
<b>Autostrade Italia</b> .....	A1 Milan-Naples (Autostrada del Sole) <sup>(1)</sup> ...	803.5	484.7
	A4 Milan-Brescia .....	93.5	93.5
	A7 Genoa-Serravalle .....	50.0	—
	A8/9 Milan-lakes .....	77.7	29.0
	A8/A26 link road.....	24.0	11.0
	A10 Genoa-Savona.....	45.5	16.4
	A11 Florence-coast.....	81.7	—
	A12 Genoa-Sestri Levante .....	48.7	—
	A12 Rome-Civitavecchia .....	65.4	—
	A13 Bologna-Padua <sup>(2)</sup> .....	127.3	—
	A14 Bologna-Taranto <sup>(3)</sup> .....	781.4	117.9
	A16 Naples-Canosa .....	172.3	—
	A23 Udine-Tarvisio.....	101.2	6.0
	A26 Genoa-Gravellona Toce <sup>(4)</sup> .....	244.9	129.0
	A27 Venice-Belluno.....	82.2	41.2
A30 Caserta-Salerno.....	55.3	55.3	
	<b>Total Autostrade Italia Network</b> .....	<b>2,854.6</b>	<b>984.0</b>
<b>Mont Blanc Tunnel</b> .....	T1 Mont Blanc Tunnel .....	5.8	—
<b>Raccordo Autostradale</b>			
<b>Valle d'Aosta</b> <sup>(5)</sup> .....	A5 Aosta-Mont Blanc .....	32.3	—
<b>Torino-Savona</b> .....	A6 Turin-Savona .....	130.9	—
<b>Società Autostrada</b>			
<b>Tirrenica</b> <sup>(6)</sup> .....	A12 Livorno-Rosignano.....	36.6	—
<b>Tangenziale di Napoli</b> .....	Naples ring-road.....	20.2	20.2
<b>Autostrade Meridionali</b> ..	A3 Naples-Salerno .....	51.6	16.1
<b>Strada dei Parchi</b> .....	A24 Rome-Teramo.....	166.5	—
	A25 Torano-Pescara.....	114.9	7.0
	<b>Total</b> .....	<b>558.8</b>	<b>43.3</b>
	<b>Total Italian Group Network</b> .....	<b>3,413.4</b>	<b>1,027.3</b>

(1) Including connections to the Rome North and the Rome South exits.

(2) Including the connection to Ferrara and the branch to Padua South.

(3) Including the branch to Ravenna, the Casalecchio stretch and the Bari branch road.

(4) Including connections between Bettolle and Predosa and between Stroppiana and Santhia.

- (5) Total road length of 32.3 kilometres.  
(6) Total road length of 240.0 kilometres.

### Traffic

The table below sets forth traffic volumes (measured by the number of kilometres travelled) on the Italian Group Network for light vehicles and heavy vehicles, and the percentage variation from year to year for each of the foregoing categories, for the years ended 31 December 2006, 2007 and 2008 and also sets forth the annual percentage increase in real Italian gross domestic product during this period.

As at 31 December	Light Vehicles <sup>(1)</sup>	Annual Percentage Increase/ (Decrease)	Heavy Vehicles <sup>(2)</sup>	Annual Percentage Increase/ (Decrease)	Total Vehicles	Annual Percentage Increase	Annual Percentage Change of GDP in Italy <sup>(3)</sup>
(in % and millions of kilometres)							
2006.....	41,771	3.2%	12,487	2.6%	54,258	3.1%	1.8%
2007.....	42,761	2.4%	12,748	2.1%	55,509	2.3%	1.5%
2008.....	42,619	(0.3)%	12,459	(2.3)%	55,078	(0.8)%	(0.9)%

- (1) Includes motorcycles and two-axle automobiles with a front-axle height of 1.3 metres or less.  
(2) Includes two-axle automobiles with front-axle height of more than 1.3 metres and all automobiles with three or more axles.  
(3) Source: Italian Institute of Statistics ("ISTAT").

The demand for motorway services in Italy has historically been driven by macroeconomic factors and has been correlated to Italy's gross domestic product, industrial production, domestic consumption and, to a lesser extent, the price of petrol. Growth in traffic has consistently exceeded the growth of Italian GDP. The average traffic growth between 1998 and 2008 was 2.7%, compared to an average GDP growth of 1.4%. In 2008 traffic decreased by 0.3% compared to 2007. In 2008, Italy's GDP decreased at an annual rate of 0.9%. The demand for motorway services has also from time to time been affected by government policies relating to transportation, which are subject to change from administration to administration.

The table below sets forth traffic volumes on the Italian Group Network for the three years ended 31 December 2008.

Company	Motorway	Year ended 31 December		
		2006	2007	2008
(in millions of kilometres)				
<b>Autostrade Italia</b> .....	A1 Milan-Naples.....	18,337	18,774	18,521
	A4 Milan-Brescia.....	3,476	3,535	3,719
	A7 Genoa-Serravalle.....	632	646	635
	A8/9 Milan-Lakes.....	2,376	2,463	2,445
	A8/A26 branch motorway.....	525	539	523
	A10 Genoa-Savona.....	934	942	925
	A11 Florence-Coast.....	1,608	1,678	1,639
	A12 Genoa-Sestri Levante.....	945	958	932
	A12 Rome-Civitavecchia.....	718	737	727
	A13 Bologna-Padua.....	1,992	2,029	2,051
	A14 Bologna-Taranto.....	10,748	10,942	10,863
	A16 Naples-Canosa.....	1,505	1,518	1,508
	A23 Udine-Tarvisio.....	708	732	685
	A26 Genoa-Gravellona Toce.....	2,145	2,213	2,153
	A27 Venice-Belluno.....	650	664	648
	A30 Caserta-Salerno.....	815	840	844
	Mestre By-Pass.....	101	102	101
	<b>Total Autostrade Italia.....</b>	<b>48,214</b>	<b>49,313</b>	<b>48,919</b>
<b>Mont Blanc Tunnel</b> .....	T1 Mont Blanc Tunnel.....	11	11	11
<b>Raccordo</b>	A5 Aosta-Mont Blanc.....	89	104	106

Company	Motorway	Year ended 31 December		
		2006	2007	2008
		(in millions of kilometres)		
<b>Autostradale Valle d'Aosta</b> .....				
<b>Torino-Savona</b> .....	A6 Turin-Savona .....	949	971	955
<b>Società Autostrada Tirrenica</b> .....	A12 Livorno-Rosignano.....	248	251	246
<b>Tangenziale di Napoli</b> ...	Naples ring-road.....	1,053	1,060	1,044
<b>Autostrade Meridionali</b> .....	A3 Naples-Salerno .....	1,562	1,577	1,571
<b>Strada dei Parchi</b> .....	A24/A25 Rome-Teramo-l'Aquila .....	2,132	2,223	2,227
	<b>Total Subsidiaries</b> .....	<b>6,043</b>	<b>6,195</b>	<b>6,159</b>
	<b>Total Italian Group Network</b> .....	<b>54,258</b>	<b>55,509</b>	<b>55,078</b>

The intensity and levels of traffic flows vary across different sections of the Italian Group 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. Almost all of the motorways that lead to and from the major urban centres in Italy, including Bologna, Genoa, Florence, Milan, Naples and Rome, experience above-average traffic flows. The lowest level of traffic flows are generally found on motorways that are not near urban areas or are in southern Italy.

The table below sets forth the annual average daily traffic recorded in terms of the number of vehicles on the motorways in the Italian Group Network for the three years ended 31 December 2008.

Company	Motorway	Average Daily Traffic		
		2006	2007	2008
		(in numbers of vehicles)		
<b>Autostrade Italia</b> .....	A1 Milan-Naples .....	62,524	64,015	62,979
	A4 Milan-Brescia .....	101,858	103,572	108,687
	A7 Serravalle-Genoa .....	34,630	35,422	34,697
	A8/9 Milan-Lakes .....	83,794	86,829	85,970
	A8/A26 branch motorway .....	59,939	61,538	59,613
	A10 Genoa-Savona .....	56,218	56,720	55,524
	A11 Florence-Coast.....	53,918	56,258	54,807
	A12 Genoa-Sestri Levante .....	53,163	53,881	52,266
	A12 Rome-Civitavecchia .....	30,083	30,890	30,380
	A13 Bologna-Padua .....	42,865	43,678	44,026
	A14 Bologna-Taranto.....	37,686	38,365	37,986
	A16 Naples-Canosa.....	23,939	24,145	23,910
	A23 Udine-Tarvisio.....	19,161	19,812	18,490
	A26 Genoa-Gravellona Toce.....	23,993	24,760	24,023
	A27 Venice-Belluno.....	21,657	22,146	21,527
	A30 Caserta-Salerno .....	40,359	41,632	41,684
	<b>Total</b> .....	<b>46,274</b>	<b>47,329</b>	<b>46,823</b>
<b>Mont Blanc Tunnel</b> .....	T1 Mont Blanc Tunnel .....	5,076	5,001	5,039
<b>Raccordo Autostradale Valle d'Aosta</b> .....	A5 Aosta-Mont Blanc .....	9,011	9,021	8,924
<b>Torino-Savona</b> .....	A6 Turin-Savona .....	19,858	20,317	19,930
<b>Società Autostrada Tirrenica</b> .....	A12 Livorno-Rosignano.....	18,590	18,818	18,380
<b>Tangenziale di Napoli</b> ...	Naples ring-road.....	142,873	143,727	141,157
<b>Autostrade Meridionali</b> .....	A3 Naples-Salerno .....	82,906	83,711	83,157

Company	Motorway	Average Daily Traffic Year ended 31 December		
		2006	2007	2008
		(in numbers of vehicles)		
<b>Strada dei Parchi</b> .....	A24/A25 Rome-Teramo-l'Aquila .....	21,225	22,132	22,109
	<b>Total Subsidiaries</b> .....	<b>30,254</b>	<b>30,714</b>	<b>30,446</b>
	<b>Total Italian Group Network</b> .....	<b>43,697</b>	<b>44,646</b>	<b>44,166</b>

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, toll revenues have constituted the principal source of the Group's revenues, representing approximately 85.5%, 84.6% and 82.1% of revenues during the years ended 31 December 2006, 2007 and 2008, respectively. Toll revenues are a function of traffic volumes and tariffs charged. In general, the toll rates applied to the Italian Group Network are in proportion to the distance travelled (with the exception of a limited number of sections where a fixed toll is charged regardless of 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 Italian Group Network for the purpose of determining toll rates.

The following table sets forth the Italian Group Network's net toll revenue broken down by Motorway Subsidiary for each of the three years ended 31 December 2006, 2007 and 2008.

Motorway Subsidiary	Year ended 31 December		
	2006	2007	2008
	(€in millions)		
Autostrade Italia .....	2,309.8	2,359.8	2,424.8
Mont Blanc Tunnel.....	51.4	51.0	52.6
Raccordo Autostradale Valle d'Aosta .....	9.6	11.2	11.5
Torino-Savona .....	59.5	60.9	61.5
Società Autostrada Tirrenica .....	22.8	23.2	22.9
Tangenziale di Napoli.....	50.9	52.8	51.6
Autostrade Meridionali.....	65.0	67.1	65.7
Strada dei Parchi.....	117.3	123.1	123.4
<b>Total</b> .....	<b>2,686.3</b>	<b>2,749.1</b>	<b>2,814.0</b>

Toll collections collected by the concessionaire are subject to a premium that is remitted to ANAS and the Ministry of Economics and Treasury. The premium was set in the Budget Law 2008 (as defined below) with a charge per kilometre for cars of €0.20 cents in 2007, €0.25 cents in 2008 and €0.30 cents in 2009, and a charge per kilometre for trucks of €0.60 cents in 2007, €0.75 cents in 2008 and €0.90 cents in 2009. All tolls charged on the Italian Group Network are additionally subject to 20% value-added-tax ("VAT"). Toll tariffs charged on the Italian Group Network are among the lowest in Europe.

Law 102/2009 which was passed on 3 August 2009 and converted with amendments into Law Decree 78/2009 dated 1 July 2009, suspended the toll surcharge, and, simultaneously, introduced an integration of the concession fee charged to the motorway concessionaire, calculated on the distance in kilometres traveled by each vehicle using the motorway (equal to €0.0003 per km for vehicles in classes A and B and to €0.0009 per km for vehicles in classes 3, 4 and 5). Pursuant to Article 19, Paragraph 9-bis, of Law Decree 78/2009, as converted into Law no. 102 of 3 August 2009, the concessionaire recovers the greater fee to be paid to ANAS by proportionally increasing the relative toll.

Autostrade Italia and the other Motorway Subsidiaries are allowed to vary toll tariffs of different classes of vehicles, or according to the time of day, as long as they are approved by ANAS and the "weighted" average of



the increases remains within the allowed overall tariff increase, though no such variances have ever been implemented.

The following table sets forth the Group's tariff (excluding VAT and surcharges) per kilometre for light vehicles, broken down by Motorway Subsidiary for the three years ended 31 December 2008.

Motorway Subsidiary	Motorway Classification	Year ended 31 December		
		2006	2007	2008
		(€/km)		
Autostrade Italia .....	Level Ground <sup>(1)</sup>	0.04077	0.04104	0.04252
	Mountains	0.04900	0.04933	0.05111
Raccordo Autostradale Valle d'Aosta.....	Mountains	0.08425	0.08504	0.08553
Torino-Savona .....	Mountains	0.05640	0.05640	0.05779
Società Autostrada Tirrenica ....	Mountains	0.08158	0.08276	0.08276
Autostrade Meridionali.....	Level Ground	0.04303	0.04303	0.04303
Strada dei Parchi.....	Mountains	0.05244	0.05244	0.05244

<sup>(1)</sup> 77% of the Autostrade Italia toll motorways are classified as level ground.

While the majority of the Group's Motorway Subsidiaries' tariffs are based on a per kilometre charge, two Motorway Subsidiaries calculate their tariffs differently. Tangenziale di Napoli charges a fixed rate per axle instead of a tariff based on the number of kilometres travelled. The tariff rate on the Naples ring-road was €0.27568, €0.28500 and €0.28500 per axle for the years ended 2006, 2007 and 2008, respectively. Mont Blanc Tunnel charges a tariff per tunnel passage and offers discounts for return trips or multiple transits. The tariff charged for the single transit of a light vehicle was €31.90, €32.30 and €33.20 for the years ended 2006, 2007 and 2008, respectively.

The following table sets forth tariffs (excluding VAT and surcharges) charged by the Motorway Subsidiaries indicated below in the various vehicle classes in 2008.

Motorway Subsidiary	Motorway Classification	Tariff by Vehicle Class				
		A <sup>(1)</sup>	B <sup>(2)</sup>	3 <sup>(3)</sup>	4 <sup>(4)</sup>	5 <sup>(5)</sup>
		(€/km)				
Autostrade Italia .....	Level Ground <sup>(6)</sup>	0.04252	0.04361	0.05016	0.08285	0.10028
	Mountains	0.05111	0.05242	0.06030	0.09960	0.12055
Raccordo Autostradale Valle d'Aosta.....	Mountains	0.08553	0.11458	0.14896	0.24063	0.28073
Torino-Savona .....	Mountains	0.05779	0.05927	0.07705	0.12445	0.14522
Società Autostrada Tirrenica .....	Mountains	0.08276	0.08488	0.11036	0.17827	0.20797
Autostrade Meridionali.....	Level Ground	0.04303	0.05076	0.07945	0.10593	0.12363
Strada dei Parchi.....	Mountains	0.05244	0.05377	0.06187	0.10219	0.12371

<sup>(1)</sup> Light vehicles.

<sup>(2)</sup> Vehicles with 2 axles and height over 1.30 metres.

<sup>(3)</sup> Vehicles with 3 axles.

<sup>(4)</sup> Vehicles with 4 axles.

<sup>(5)</sup> Vehicles with 5 or more axles.

<sup>(6)</sup> 77% of the Autostrade Italia toll motorways are classified as level ground.

The following table sets forth tariffs charged by the Mont Blanc Tunnel in the various vehicle classes in 2008.

Vehicle Class	Mont Blanc Tunnel						
	(€ VAT included)						
	5 <sup>(1)</sup>	1 <sup>(2)</sup>	2 <sup>(3)</sup>	3 <sup>(4)</sup>	3 <sup>(4)</sup>	4 <sup>(5)</sup>	4 <sup>(5)</sup>
				euro 2-3-4	euro 1	euro 2-3-4	euro 1

Tariff (one way).....	22.00	33.20	44.00	120.80	127.80	242.70	256.80
Tariff (return trip).....	27.60	41.40	55.20	193.80	205.10	393.00	415.90

- (1) Motorcycles with or without sidecars or trailers in tow.  
(2) Light vehicles.  
(3) Vehicles with 2 axles and height over 2 but under 3 metres.  
(4) Vehicles with 2 axles and height over 3 metres; toll levels vary according to the emission class of vehicle.  
(5) Vehicles with 3 or more axles and height over 3 metres; toll levels vary according to the emission class of vehicle.

### ***Toll Collection***

As at 30 June 2009, there were 290 toll stations on the Italian Group Network. The Group is increasing automation of the Italian Group 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. See “— Introduction — Strategy” and “— Employees”. Each toll station is currently equipped for both automated and manual payment.

Users of the Italian Group Network are permitted to choose between a wide range of automated payment systems, including:

- the Telepass system, a technology through which on board equipment rented by motorway users communicates via radio signals to Telepass toll booths, allowing non-stop transit and toll collection which is tied to an account holder’s current account or to a co-branded credit card;
- Viacard payments, which permit users to charge tolls either through (i) the “Prepaid Viacard” system, whereby users purchase Viacards that contain varying amounts of prepaid credits for the payment of tolls, or (ii) the “Current Account Viacard” or “Viacard Plus”, both of which are deferred payment systems in which account holders’ current accounts are directly debited on a periodic basis for payment by the account holder for tolls and other services provided in the service areas;
- Fast Pay, which permits toll charges to be debited from personal banking cards;
- credit card payments, which have been accepted on the entire Italian Group 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.

With about 6.7 million customers, Group management believes that Telepass is the most proven and reliable electronic tolling system in the world. The Group provides the Telepass technology to other concessionaires in Italy for a fee. The Group receives additional revenues from the Telepass equipment rental by end-users, as well as from service fees for acting as a clearing house for all electronic transactions conducted on the Italian motorways. Amounts collected by the Group electronically on behalf of other motorway operators are remitted to such operators. In addition, a pro-rata portion of cash toll receipts collected by any of the Motorway Subsidiaries from motorway users for transits which include travel on non-Italian Group Network motorways are remitted to the relevant motorway operator or operators. Likewise, other motorway operators remit to the Group a pro-rata portion of cash toll receipts collected by them at toll stations on stretches of motorway adjacent to the Italian Group Network for transits which include travel on the Italian Group Network.

The table below sets forth the number and proportion (expressed as percentages) of transits on the Autostrade Italia Network categorised by payment method for the three years ended 31 December 2008.

	<b>Year ended 31 December</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
	(in millions, except percentages)		

### **Method of Payment**

*Automated non-cash and cash payment methods, of which:*

Telepass .....	392.9	52.8%	417.7	54.6%	431.3	56.3%
Current Account Viacard and Viacard Plus .....	31.3	4.2%	30.4	4.0%	28.9	3.8%
Prepaid Viacard .....	21.1	2.8%	19.9	2.6%	18.3	2.4%
Fast Pay .....	16.9	2.3%	17.2	2.2%	18.6	2.4%
Automated Tellers .....	59.1	7.9%	58.8	7.7%	62.8	8.2%
Credit cards .....	22.2	3.0%	23.1	3.0%	23.5	3.1%
<b>Total automated non-cash and cash payment methods .....</b>	<b>543.5</b>	<b>73.0%</b>	<b>567.1</b>	<b>74.1%</b>	<b>583.4</b>	<b>76.2%</b>
Cash manually .....	196.9	26.5%	193.3	25.3%	178.6	23.3%
Other <sup>(1)</sup> .....	4.2	0.6%	4.8	0.6%	3.6	0.5%
<b>Total .....</b>	<b>744.6</b>	<b>100.0%</b>	<b>765.2</b>	<b>100.0%</b>	<b>765.6</b>	<b>100.0%</b>

<sup>(1)</sup> Includes exempt vehicles, such as police vehicles and fire engines, as well as Group employees with complimentary transit, non-payments and forfeited payments.

Automated payment methods accounted for approximately 73.0%, 74.1% and 76.2% of all toll collections of the Autostrade Italia Network (in terms of the number of payments) in 2006, 2007 and 2008, respectively. On the Italian Group Network, automated payment methods accounted for approximately 69.3%, 70.9% and 72.9% of all toll collections in 2006, 2007 and 2008, respectively. As at 31 December 2006, 2007 and 2008, there were approximately 5.3 million, 5.9 million and 6.5 million Telepass tags in circulation.

## **Traffic and Motorway Assistance Services**

### ***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 Italian Group Network 24 hours a day and organise emergency assistance in response to any disruption to traffic flows. These agreements also provide that the relevant 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 Italian Group Network, and police vehicles. A force of auxiliary traffic personnel also assists the police in monitoring the Italian Group 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 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 Italian Group Network. Information and user assistance, such as Telepass and Viacard sales and servicing, toll payment assistance and road related assistance, are also provided through the 80 "Blue Point Centres" located along the Italian Group Network, as well as through the Group website.

### ***Assistance and Recovery Services; First-Aid Services***

Assistance and recovery services are provided by third parties, including Europ Assistance—VAI and the Italian Motor Club. The Group's motorway operations centres directly link a motorway user calling from a distress call unit on the motorway to the nearest assistance and recovery service provider. At certain times of the year when there is heavy traffic, temporary assistance stations, manned by both emergency service crews and emergency volunteers, are set up along the Italian Group Network. In situations where fire or accidents involving hazardous materials occur on the Italian Group Network, the Group's radio link is used to contact fire and rescue services.

## *Accidents*

Since the Group's privatisation in 1999, the death accident rate has been halved. In 2008, the rate of fatalities on the Italian Group Network (measured as a number of fatalities per 100 million kilometres travelled) was 0.42%, a significant decline as compared to 1.1% in 1999.

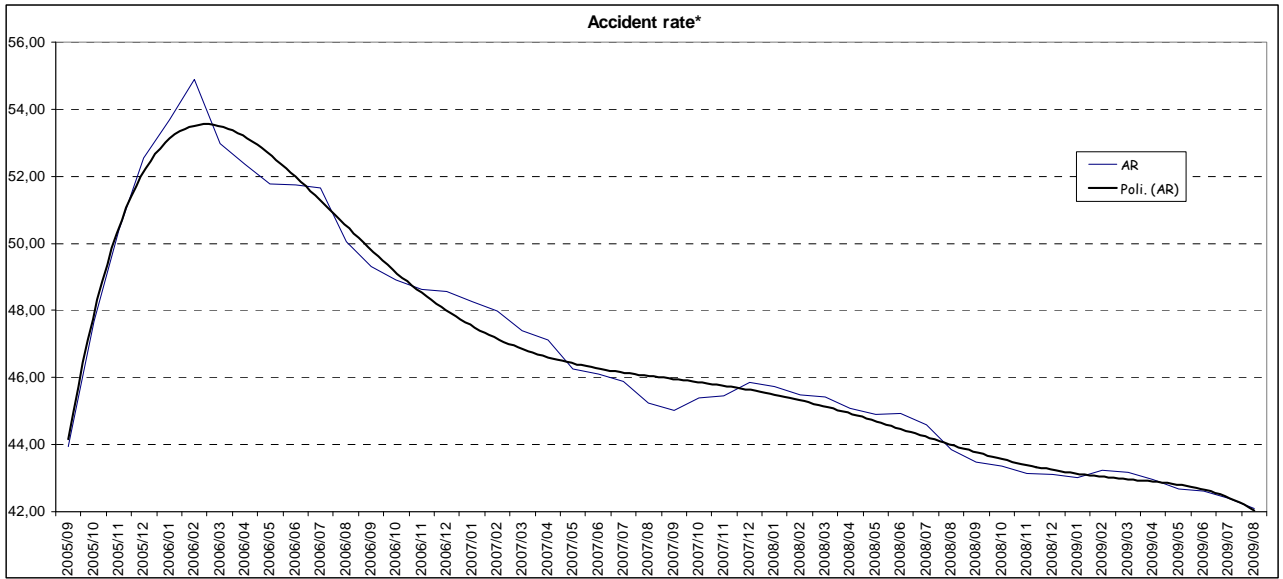
Based on data provided by the Italian police, the principal causes of accidents which occur on the Italian Group Network are either driver error or, to a lesser extent, vehicle malfunction. The Group has conducted studies to determine the main factors causing driver error (e.g. speeding, inattentiveness and tailgating) and instituted marketing campaigns to increase motorway users' awareness of these factors.

The Group has implemented a safety plan designed to increase safety on the Italian Group Network through a number of initiatives, including dedicating resources to review highway maintenance activities and road signs from a safety perspective, examining the usage of safety barriers, increasing drivers' access to information regarding road conditions and laying draining pavement, which improves traction, reduces noise pollution and increases driver comfort in rain. The percentage of the Italian Group Network that has draining pavement has increased from 16% in 1999 to 82% in 2008. Additional improvements from 1999 to 2008 include an increase in the percentage of traffic median strips from 55% of the Italian Group Network in 1999 to 100% in 2008, the installation of rapid opening by-pass gates in the entire Italian Group Network, an increase in the percentage of no-passing lanes on viaducts and separated motorways from 37% of the Italian Group Network in 1999 to 100% in 2008, and an increase of open lines at the call centres providing traffic information from 12 in 1999 to 120 in 2008.

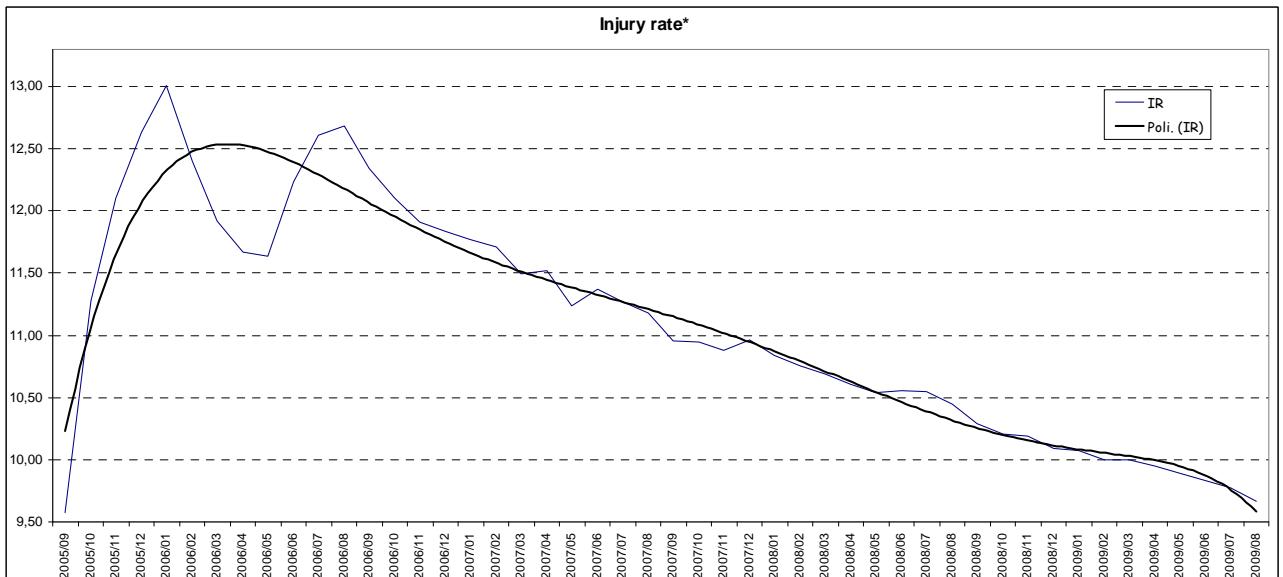
Because studies show that approximately 75% of accidents are caused by driver error, education of drivers is paramount in order to reduce the number of motorway accidents. Autostrade Italia aims to develop customer awareness of safe driving practices via a series of communication campaigns, which include press information, advertising, events and other initiatives designed to spread awareness of safety.

Additionally, a new speed monitoring system was introduced in December 2005 with the aim to increase the security level of the motorway by means of a speed limit system control. The system, called "Tutor", measures the average speed of vehicles covering a motorway section and automatically fines drivers in case of non-observance of the speed limit. Tutor was designed and developed by Autostrade Italia in collaboration with the Italian highway police and has the following functions: data detection on all vehicles (plate, vehicle class, speed), automatic search of vehicle owner through the Bureau of Motor Vehicles database, automatic verification and print of the speed limit violation, automatic transmission of the violation data to the police server and statistic analysis of data. At 30 June 2009, Tutor covered 2,100 kilometres of motorway or 31% of the Autostrada Italia Network. By the end of 2009 coverage is expected to reach about 2,500 kilometres.

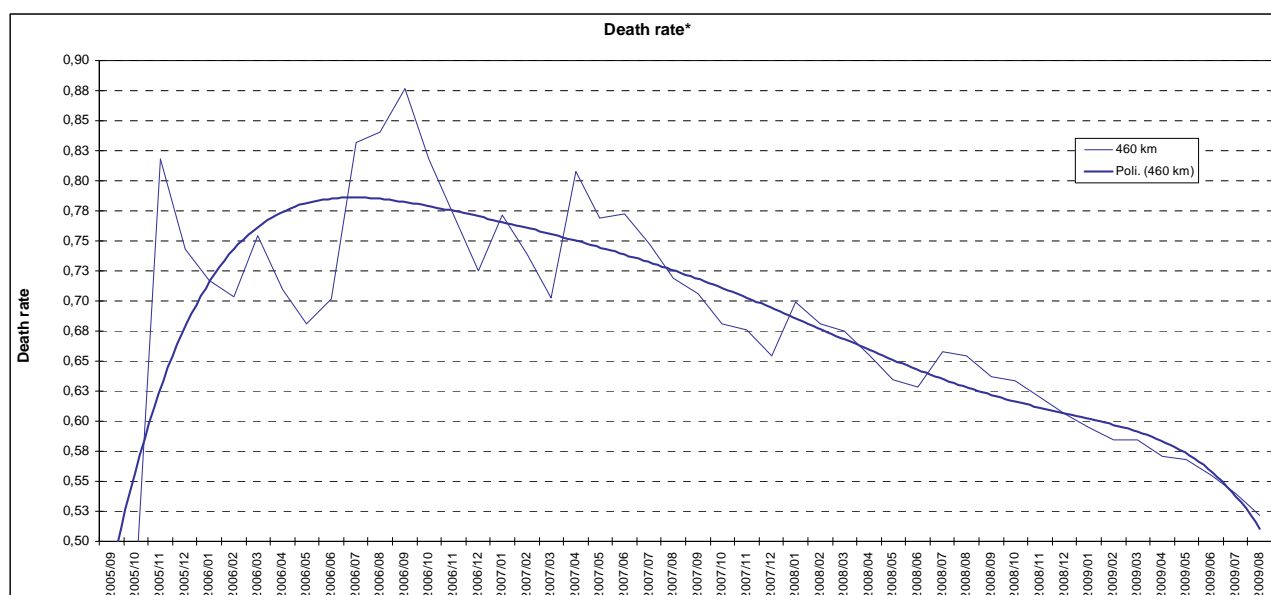
In the sections of the Italian Group Network on which Tutor has been installed the accident rate has decreased 19% and the death rate has decreased 51%. The tables below set forth the decrease in the accident, injury and death rates since Tutor became effective in September 2006.



\* Accident rate is measured as the number of accidents per 100 million kilometres travelled.



\* Injury rate is measured as the number of accidents with consequences per 100 million kilometres travelled.



\*Death rate is measured as the number of fatalities per 100 million kilometres travelled.

### Customer Service

The Group uses numerical quality indices to measure the quality of service that the Group provides to its customers based on (i) accident rates, (ii) waiting times and number of vehicles at toll stations, (iii) a measurement of traffic congestion on the motorway stretches based on waiting times and number of vehicles and (iv) a measurement of the quality of services provided to customers in service areas. The Group believes the quality indices establish an objective and transparent method of determining the quality of service it provides. The Group also sets targets for certain employees and incentives them by paying bonuses if such targets are achieved. The Group has a customer charter which includes a number of initiatives for the benefit of motorway users including undertakings, to the extent practicable, to maintain emergency, traffic monitoring and related motorway services, to consider suggestions made by motorway users and to provide technologically advanced services to motorway users in order to increase efficiency and the level of service provided.

### Motorway Capital Expenditures

The Group's capital expenditures are primarily related to its Italian motorway activities, specifically costs for upgrading the Italian Group Network. The following table provides a breakdown of these purchases and capitalisations for each of the Motorway Subsidiaries for the three years ended 31 December 2008.

Concession Holder	Year ended 31 December		
	2006	2007	2008
	(€in millions)		
Autostrade Italia .....	992	999	905
Mont Blanc Tunnel.....	3	2	2
Raccordo Autostradale Valle d'Aosta .....	29	18	10
Torino-Savona .....	21	25	19
Società Autostrada Tirrenica .....	4	3	1
Tangenziale di Napoli.....	16	16	14
Autostrade Meridionali.....	37	35	48
Strada dei Parchi.....	50	111	93
<b>Total</b> .....	<b>1,152<sup>(1)</sup></b>	<b>1,209<sup>(1)</sup></b>	<b>1,092<sup>(1)</sup></b>

<sup>(1)</sup> Of these totals, €43.5 million, €173 million and €150.7 million were funded by government grants received by the Group in 2006, 2007 and 2008, respectively.

## Works

The Group generally designs and oversees new motorway projects itself, and may award up to 60% of the construction works to Group companies. For work not performed by Group companies, the Group is required to put the construction projects out to public tender under EU and Italian public procurement rules. See “— Regulatory — Regulatory Developments Related to Works”.

### *The Autostrade Italia Investment Plan*

#### The Single Concession Contract

The Single Concession Contract (as defined below) unified the previous agreements between ANAS and Autostrade Italia in respect of the Autostrade Italia Concession, including the 1997 Concession Agreement (as defined below), the 2002 Supplementary Agreement (as defined below) and new investments into one single contract with a new investment plan. Autostrade Italia currently expects to invest approximately €11.7-13.5 billion from 2009 to 2021 (excluding government grants, capitalised costs, ongoing capital expenditures and non-motorway investments).

#### Major Projects under the 1997 Concession Agreement

Following the Group’s privatisation in 1999, changes in the law and as a result of pressure to reduce motorway congestion in Italy, the Group accelerated various construction projects related to upgrades of the Italian Group Network to fulfil commitments contained in the investment plans agreed in the Autostrade Italia Concession and the other Concessions. As at 31 December 2008, 48% of the projects being carried out under the 1997 Concession Agreement had been completed, 33% were in progress, and 19% were to be authorised. The following table sets forth the status and the value of the investments under the 1997 Concession Agreement as at 31 December 2008.

<b>Project</b>	<b>Status</b>	<b>% Complete at 31 December 2008<sup>(1)</sup></b>	<b>Km covered by project (km)</b>	<b>Value of project<sup>(2)</sup> (€m)</b>	<b>Km open to traffic at 31 December 2008 (km)</b>
MI-NA (A1) Casalecchio–Sasso					
Marconi .....	Work in progress	54%	4.1	80	—
MI-NA (A1) Variante di Valico .....		49%	62.5	3,228	19.4
- <i>Sasso Marconi-La Quercia</i> .....	<i>Completed</i>	97%	19.4	566	19.4
- <i>La Quercia-Badia Nuova</i> .....	<i>Work in progress</i>	16%	21.3	1,042	—
- <i>Badia Nuova- Barberino</i> .....	<i>Work in progress</i>	57%	21.8	1,320	—
- <i>Landscaping</i> .....		39%	N/A	299	N/A
MI-NA (A1) Barberino-Incisa .....		29%	58.5	1,470	6.2
- <i>Barberino-Florence North</i> .....	<i>Authorization pending</i>	3%	17.5	484	—
- <i>Florence North-Florence South</i> .....	<i>Work in progress / completed</i>	59%	21.9	672	6.2
- <i>Florence South-Incisa</i> .....	<i>Authorization pending</i>	2%	19.1	284	—
- <i>Access roads</i> .....		13%	N/A	30	N/A
BO-TA (A14) Bologna Ring Road...	Completed	100%	13.7	59 <sup>(3)</sup>	13.7
MI-NA (A1) Modena-Bologna .....	Completed <sup>(4)</sup>	80%	31.6	178	31.6
MI-NA (A1) Orte-Rome North .....	Completed	99%	37.8	192	37.8
MI-VA (A8) Milan-Gallarate .....	Completed	100%	28.7	65	28.7
Other investments .....	Work in progress / completed <sup>(5)</sup>	53%	N/A	27	N/A
<b>Total investments under the 1997 Concession Agreement .....</b>		<b>48%</b>	<b>236.9</b>	<b>5,300</b>	<b>137.4</b>

<sup>(1)</sup> The completion percentage is calculated on the basis of the project value and includes related works, some of which may be completed after the project opening.

- (2) Total cost of carrying out the works, as assessed at 31 December 2008, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The amount shown excludes government grants and capitalised costs (financial expenses and staff costs).
- (3) Total investments of €246 million, of which €59 million in the 1997 Concession Agreement and €187 million in other investments.
- (4) Completed except for compensatory works.
- (5) The works regard the widening of three viaducts on the A1 motorway: Volturno and Marano (completed), Tufano (in progress). This item also includes a number of works carried out by contractors with a contribution from Autostrade Italia.

Of the projects being carried out under the 1997 Concession Agreement which have yet to be completed, the most significant projects include the improvement of the Bologna-Florence-Incisa section of the A1 Milan-Naples, one of the principal motorway sections that connects northern and southern Italy, and a project designed to improve access to the city of Florence through the creation of access roads and parking and transit areas in and around the city. Delays in project completion have been primarily due to delays in obtaining certain regulatory approvals and overcoming certain opposition relating to the environmental impact at the planning stage. See “Risk Factors – Risks Relating to the Business of the Group”. In particular the environmental impact assessment for the Barberino-Florence North and Florence South-Incisa sections and subsequent authorisation have yet to be completed.

The table below compares the original investment plan and the cost of carrying out the works as assessed at 31 December 2008.

<u>Motorway</u>	<u>Project</u>	<u>Original Investment Estimate<sup>(1)</sup></u>	<u>Revised Investment Estimate<sup>(2)</sup></u>	<u>Cost Overruns</u>
			(€ in millions)	
A14 .....	Bologna Interchange	148	238	90
A1 .....	Variante di Valico	2,520	3,308	788
A1 .....	Florence Interchange	633	1,470	837
N/A .....	Others	255	284	29
	<b>Total Estimated Investments</b>	<b>3,556</b>	<b>5,300</b>	<b>1,744</b>

- (1) Contained in the 1997 Concession Agreement, excluding government grants and capitalised costs (financial expenses and staff costs).
- (2) Total cost of carrying out the works, as assessed at 31 December 2008, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The amount shown excludes government grants and capitalised costs (financial expenses and staff costs).

Under the Single Concession Contract, Autostrade Italia has assumed the obligation to pay all cost overruns necessary to complete the investments that remain to be completed under the 1997 Concession Agreement. See “Risk Factors – Risks Relating to the Business of the Group - The Group may not be able to implement the investment plans required under the Concessions within the timeframe and budget anticipated and the Group may not be able to recoup certain cost overruns.”, and “Regulatory – The Autostrade Italia Concession – Investments and Cost Overruns”.

Between 2009 and 2018, Autostrade Italia expects to invest up to €3.9 billion to complete the major works under the 1997 Concession Agreement.

#### Other Projects under the 1997 Concession Agreement

In addition to the major works listed above, the 1997 Concession Agreement also provides for a total amount of approximately €4.6 billion to be invested through 2038 in respect of additional works for enhancements and maintenance on the Italian Group Network (and such works were subsequently confirmed by the Single Concession Contract in 2007), of which approximately €2.0 billion has already been allocated to certain projects planned between 2003 and 2020.

#### Major Projects under the 2002 Supplementary Agreement

Pursuant to the 2002 Supplementary Agreement signed between Autostrade Italia and ANAS on 23 December 2002, Autostrade Italia agreed to carry out certain works in addition to those specified in the 1997 Concession Agreement for the improvement and enlargement of the Autostrade Italia Network. The 2002 Supplementary Agreement became effective in June 2004. The Single Concession Contract executed in 2007 confirmed these



commitments of Autostrade Italia. See “— Regulatory — The Autostrade Italia Concession”. As at 31 December 2008, 14% of the projects being carried out under the 2002 Supplementary Agreement had been completed, 42% were in progress, and 44% were to be authorised. The following table sets forth the status and value of the improvements to, and expansion of, the Autostrade Italia Network under the 2002 Supplementary Agreement as at 31 December 2008.

<b>Project</b>	<b>Status</b>	<b>% Complete at 31 December 2008<sup>(1)</sup></b>	<b>Km covered by project (km)</b>	<b>Value of project<sup>(2)</sup> (€m)</b>	<b>Km open to traffic at 31 December 2008 (km)</b>
MI-NA (A1) Fiano Romano-Settebagni and Castelnuovo di Porto junction.....	Executive designs underway <sup>(3)</sup>	6%	15.9	169	—
MI-BS (A4) Milan East-Bergamo ....	Completed	92%	33.6	513	33.6
MI-CO (A9) Lainate-Como Grandate.....	Authorization pending <sup>(4)</sup>	3%	23.2	274	—
MI-Lakes (A8-A9) Access to Milan Exhibition Grounds .....	Completed	100%	3.8	85	3.8
A7-A10-A12 Genoa Interchange.....	Preliminary designs underway	1%	34.8	1,800	—
BO-TA (A14) Rimini North-Porto S. Elpidio .....	Work in progress	5%	154.7	2,497	—
Other works .....	Approvals pending/work in progress / completed	24%	N/A	242	N/A
<b>Total 2002 Supplementary Agreement.....</b>		<b>14%</b>	<b>266.0</b>	<b>5,580</b>	<b>37.4</b>

<sup>(1)</sup> The completion percentage is calculated on the basis of the project value and includes related works, some of which may be completed after the project opening.

<sup>(2)</sup> Total cost of carrying out the works, as assessed at 31 December 2008, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The amount shown excludes capitalised costs (financial expenses and staff costs).

<sup>(3)</sup> Formal notification of approval dated 27 February 2009.

<sup>(4)</sup> Final ruling issued 13 February 2009.

Pursuant to the Single Concession Contract, once ANAS has approved a final project Autostrade Italia assumes the obligation to complete the investment and is liable for cost overruns in excess of the ANAS Approved Investment Amount (as defined below), subject to certain exceptions. See “— Regulatory — The Autostrade Italia Concession — Investments and Cost Overruns”. The 2002 Supplementary Agreement provides for specific tariff increases to enable Autostrade Italia to recover capital expenditures for required investments undertaken pursuant to such agreement. See “— Regulatory — The Autostrade Italia Concession — Tariff Rates”. Between 2009 and 2021, Autostrade Italia expects to invest approximately €6.9 billion to complete the major works under the 2002 Supplementary Agreement.

#### New Investment Commitments under the Single Concession Contract

Autostrade Italia has committed to invest €0.7 billion to complete the noise reduction plan, which involves installing noise reduction barriers on 1,000 kilometres of its network (the “Noise Reduction Plan”). Pursuant to the Single Concession Contract, Autostrade Italia is obliged to complete the investment and is liable for cost overruns in excess of the ANAS Approved Investment Amount (as defined below), subject to certain exceptions. See “— Regulatory — The Autostrade Italia Concession — Investments and Cost Overruns”.

In addition, Autostrade Italia has committed to implement a preliminary plan to upgrade over 300 kilometres of the Autostrade Italia Network by adding additional lanes. Pursuant to the Single Concession Contract, once local authorities and ANAS have approved a final project, Autostrade Italia assumes the obligation to complete the investment and is liable for cost overruns in excess of the ANAS Approved Investment Amount (as defined below), subject to certain exceptions. See “— Regulatory — The Autostrade Italia Concession — Investments

and Cost Overruns”. Autostrade Italia currently expects to invest approximately €5.0 billion on these new investments.

The Single Concession Contract provides for tariff increases to enable Autostrade Italia to recover capital expenditures for required investments undertaken pursuant to such agreement. See “— Regulatory — The Autostrade Italia Concession — Tariff Rates”.

#### *Major Projects of other Motorway Subsidiaries*

Pursuant to their respective Concession Agreements, the Motorway Subsidiaries Autostrade Meridionali, Raccordo Autostradale Valle d’Aosta and Strada dei Parchi are engaged in works on 52 kilometres of motorways. The following table sets forth the status and value of the improvements to and expansion of these Motorway Subsidiaries.

<b>Project</b>	<b>Status</b>	<b>% Complete at 31 December 2008</b>	<b>Km covered by project (km)</b>	<b>Value of project<sup>(2)</sup> (€m)</b>	<b>Km open to traffic at 31 December 2008 (km)</b>
Raccordo Autostradale Valle d’Aosta AO-Mont Blanc Tunnel (A5) Morgex-Entreves (Agreement of 1999).....	Completed	93%	12.4	430	12.4
Strada dei Parchi RM-AQ-TE and Torano-Pescara (A24 and A 25) (Agreement of 2001).....		31%	19.9	386	4.4
- Villa Vomano –Teramo .....	Completed <sup>(3)</sup>	83%	5.7	130	4.4
- Rome East (Lunghezza) - Via P. Togliatti .....	Final designs approved	4%	14.2	256	—
Autostrade Meridionali NA-Pompei-SA (A3) Naples-Pompei (Agreement of 1999).....		73%	20.0	393	8.3
<b>Total works by subsidiaries .....</b>		<b>67%</b>	<b>52.3</b>	<b>1,209</b>	<b>25.1</b>

<sup>(1)</sup> The completion percentage is calculated on the basis of the project value.

<sup>(2)</sup> Total cost of carrying out the works, as assessed at 31 December 2008, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

<sup>(3)</sup> Entire section opened to traffic on 25 July 2008, with the sole exception of Carestia Tunnel (1.3 km), which was opened to traffic on 28 April 2009. The work was completed in July 2009.

The Group currently expects to invest approximately €0.46 billion to complete these other works. The Group’s liability for cost overruns and ability to effect tariff increases is regulated by each respective Concession Agreement. Pursuant to Law 286/06 (as defined below), each concession will be reviewed and each of the Motorway Subsidiaries may choose to apply the new tariff formula which provides for a re-alignment of tariffs every five years for See “— Regulatory — Regulatory Background — Important Developments in the Regulatory History of the Concessions”.

In addition, SAT’s draft single concession agreement (signed on 11 March 2009) provides for the completion of the Tyrrhenian motorway between Rosignano and Civitavecchia. According to the preliminary design, the existing SS1 Aurelia (now a dual carriageway with no hard shoulder) will be converted into the northern section of the new motorway between Rosignano and Grosseto (extending 110 kilometres) and a new section will be built for the southern Grosseto-Civitavecchia portion of the motorway (extending 95 kilometres), with the corresponding stretch of the SS1 Aurelia being downgraded to a parkway. The total investment is expected to be approximately €3.2 billion over 8 years. The financial terms provide for toll charge increases, in compliance with CIPE Directive 39/2007, to allow for a certain return on invested capital by the end of the concession term. The exact return on investment will be set out in the financial plan attached to the final design, which will be updated to account for the estimated expenses of the project and the market cost of financing the investment.

SAT's draft single concession agreement will be effective once the approval process provided by law has been completed with the registration of the related decrees approving the agreements with the Italian Court of Auditors.

### **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.

The Group divides maintenance activities into four categories: recurring maintenance, functional maintenance, paving and non-recurring maintenance. Non-recurring and recurring maintenance are presently performed by third parties chosen pursuant to public tender procedures, except that oversight and monitoring of maintenance of a large portion of the significant bridges, tunnels, viaducts and other infrastructure on the Italian Group Network are performed by SPEA and paving activities are performed by Pavimental, both Group companies.

The following table illustrates Group maintenance expenditures for maintenance costs for each of the three years ended 31 December 2008.

	<b>Year ended 31 December</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
	(€in millions)		
Recurring.....	77.3	83.9	82.9
Functional.....	46.3	43.9	59.8
Paving.....	170.1	163.1	138.3
Non-recurring.....	63.0	66.7	81.6
Capitalised.....	(79.4)	(61.9)	(38.1)
<b>Total.....</b>	<b>277.3</b>	<b>295.7</b>	<b>324.5</b>

### ***Non-Recurring Maintenance***

Non-recurring maintenance consists mainly of repair of motorway infrastructure and is carried out on a regular basis on the bridges, tunnels, viaducts and overpasses of the Italian Group Network with the aim of avoiding deterioration and maintaining the efficiency of such structures. Non-recurring maintenance includes major motorway reconstruction projects that involve the rebuilding of certain discrete sections of the Italian Group Network that have been destroyed or made uneven by wear and tear, landslides or other natural phenomena, such as inclement weather conditions. The rebuilding or additional reinforcement of embankments as protection against landslides and other natural phenomena and drainage projects are also included in non-recurring maintenance.

### ***Paving***

With respect to paving, the Group annually tests for the motorway's smoothness and adherence, or "grip", and periodically examines the actual condition and wear of the roadway and the roadway's capacity to withstand weight. In its monitoring activities, particular attention is paid to reviewing new paving works in order to assure that the quality standards set by the Group are met. After conducting such monitoring activities, the Group instructs Pavimental to conduct the necessary repairs or plan future paving works as appropriate. In addition, the price-cap mechanism takes into account the quality of motorway paving.

### ***Recurring Maintenance***

Recurring 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 Italian Group Network, including those structures located at exit junctions, and treatment of the roads to counter ice and snow and other adverse weather conditions.

## Research and Development

The Group's research and development activities focus on all aspects of the toll motorway business and, in particular, on noise pollution, maintenance and toll collection technology. The Group invested a total of €5.2 million in 2008 in research and development activities, primarily through investments by Autostrade Italia.

Research and development is conducted in connection with numerous projects, some of which are co-financed at the European or Italian level, and include: production of a multi-lane electronic toll system, in conformity with European legislation; a European satellite system study, particularly the European Galileo project; integrated toll collection systems including multi-technology devices for vehicles; development of innovative systems for the real-time gathering and processing of traffic data; econometric models to long-term traffic forecasts; development of innovative technologies supporting vehicle to vehicle and vehicle to infrastructure communications to disseminate traffic information; study on the use of wind power for motorways; new innovative safety and noise level systems (noise walls and safety barriers); development of information systems to support the Noise Reduction Plan; study of new technologies for eco-compatible pavement laying and maintenance; applicability and effectiveness of reinforced fibre composites for use in bridge roadway paving; integrated systems for managing fixed transport infrastructure; and techniques and methods for monitoring and maintaining fixed infrastructure.

## Environmental

Autostrade Italia's activities have a significant impact on the environment and the awareness that this impact must be addressed has gradually resulted in the increasing adoption of policies, procedures, technical and organisational solutions and instruments aimed at analysing and regulating aspects linked to the environment and local problems from the outset. This approach entails taking account of environmental elements such as water, green spaces, land, air, flora, fauna, climatic factors and the landscape, tangible assets and cultural heritage. Autostrade Italia's activities are characterised by specific processes focusing on "environmental management", which have been integrated into its operations. Repercussions for the ecosystem are examined and assessed starting from the design stage. They are then monitored and managed during construction, management and operation of the motorway network.

In an effort to reduce air pollution, during 2007 Autostrade Italia developed two calculation models designed to measure the effective benefit, in terms of CO<sub>2</sub> saved, as a result of the introduction and subsequent development of the Telepass and Tutor systems. The Tutor system was introduced in 2007 on 221 kilometres of the Italian Group Network, and it is estimated to have caused a reduction of 32,595 tonnes of CO<sub>2</sub> in 2008. It is estimated that the use of Telepass saved 26,417, 27,293 and 27,852 tonnes of CO<sub>2</sub> in 2006, 2007 and 2008, respectively.

Additionally, in September 2006, Autostrade Italia signed two agreements with local authorities in order to encourage greater involvement and collaboration at the local level. The first was signed with the region of Emilia Romagna and regards emergency management and regulates the operations to be carried out in the event of accidents and while works on the motorway are underway, in order to avoid serious repercussions on ordinary traffic flow, and also to improve the motorway infrastructure's environmental performance. A second agreement has been entered into with the Convention of Municipal Authorities set up to develop and promote the use of low environmental impact fuels.

Further, in line with the agreement entered in 2004 with the Ministry of the Environment with a view to optimise energy consumption and search for alternative sources of energy, and in order to contribute to Italy's achievement of the objectives set by EU Directive 2001/77/CE regarding the increase in the quantity of electricity produced by renewable sources and become a self-producer of "green" energy through the installation of a "solar power plant" throughout its area of operation, in 2007 Autostrade Italia prepared a solar energy development plan to be implemented over the next three years. This plan calls for:

- 90 service areas with solar panel installations to be integrated into parking areas by 2010;
- 3,000 car parking spaces to be covered by solar panel roofs;
- 4 MWp of total installed power;

- 5.6 million KWh of electricity to be produced per year;
- Reduction of 3,000 tonnes of CO2 air emissions per year; and
- Reduction of 90,000 tonnes of CO2 air emissions in 30 years (the lifespan of installations).

Autostrade Italia has also patented a solar panel roof named “Quercus”, which inserts the solar panels into a metal frame to form a roof that can be used to cover parking spaces at motorway service areas. As at 31 December 2008, three solar power plants were already in use at as many service areas, producing approximately 130,000 kWh of electricity a year and thus reducing CO2 emissions by 70 tonnes a year, work had begun on the installation of solar panel roofs at 92 service areas, with the aim of producing 5,600,000 kWh of electricity a year and reducing CO2 emissions by around 3,000 tonnes a year and further solar power applications were under development for use in buildings or on land owned by the Group.

Autostrade Italia’s environmental management processes concern all the ordinary phases of its activities: design, construction, management and operation of roads under concession. Impacts produced by design and construction activities regarding motorway works are subject to prior assessment via the Environmental Impact Assessment (EIA) procedure. The procedure provides for the carrying out of an Environmental Impact Survey which, together with the final design, is submitted for approval by the Ministry of the Environment’s EIA Committee, which expresses its opinion on the project’s environmental compatibility. The environmental impact survey should be supplemented with a non-technical summary, designed to inform the general public, so as to allow for maximum involvement of all parties concerned. For works underway Autostrade Italia has activated environmental monitoring procedures to verify the efficiency of the systems adopted to protect the environment and mitigate impacts. Such procedures call for coordination and control on the part of third-party bodies set up for this purpose, consisting of representatives of the regional authorities and public bodies involved, aided by experts.

### Intellectual Property

The Group holds Italian and European patents relating to a number of its technologies, including patents related to the toll payment system “Telepass”, safety barriers and noise-absorbing road surfaces. The Group also has various Italian and European trademarks covering, inter alia, the Telepass system. The Italian patent related to the Telepass system expires on 24 October 2009, while the European patent related to Telepass system (and the patent extensions in several European countries) expires on 21 October 2010.

### Employees

The table below sets forth the Group’s average work force divided by employment category in 2006, 2007 and 2008, together with the percentage changes from the prior period.

	<u>2006</u>	<u>% Change</u>	<u>2007</u>	<u>% Change</u>	<u>2008</u>	<u>% Change</u>
<b>Average workforce</b>						
Senior managers .....	164	0.6	168	2.4	177	5.4
Middle managers and administrative staff...	3,848	2.6	3,980	3.4	4,421	11.1
Toll collectors .....	3,492	(3.7)	3,493	0.0	3,479	(0.4)
Manual workers .....	1,626	3.8	1,640	0.1	1,771	8.0
<b>Total</b> .....	<b><u>9,130</u></b>	<b><u>0.3</u></b>	<b><u>9,281</u></b>	<b><u>1.7</u></b>	<b><u>9,848</u></b>	<b><u>6.1</u></b>

At 31 December 2008, the Group had 9,747 full-time and part-time at will employees, representing an increase of 6.1% since 31 December 2007, and 563 employees with temporary contracts. The overall number of employees of the Group increased over the three years ended 31 December 2008, primarily as a result of consolidating the employees from Stalexport Autostrady and ETC and the addition of new maintenance, traffic management and plant operations staff at Autostrade Italia.

Fixed-term employment contracts are used to handle seasonal peaks in traffic, including peaks at year end and other holiday periods and are also used for trial periods before the offering of indefinite term employment contracts. The average number of full-time equivalent employees (fixed-term and indefinite term) employed by

the Group as at 31 December, for the years ended 2006, 2007 and 2008 was 9,130, 9,281 and 9,848, respectively.

Approximately 63% of the Group's employees are members of a trade union. Management believes that industrial relations within the Group have been characterised by a willingness to collaborate and to avoid conflicts, and strikes in recent years have been rare. The Group, with the exception of SPEA and Pavimental (which are regulated by the Italian collective agreement for builders) and the non-Italian companies, is subject to an industry-wide collective bargaining agreement covering motorway concessionaires which has been in effect since 1962. The principal terms of the collective bargaining agreement are typically renegotiated every four years, and the current agreement was signed on 18 December 2008.

## **Competition**

The Group faces limited competition from third-party concessionaires and State-run motorways as well as competition from alternate forms of transportation. See "Risk Factors". In Italy, the second largest motorway operator after the Group is the Gavio Group (which comprises Autostrade Torino Milano and SIAS), which holds concessions for approximately 15.5% of the toll motorways in Italy. The Group believes competition from toll motorways operated by third-party concessionaires, such as the Gavio Group, and State-run motorways is limited because these motorways usually serve origins and destinations which are different from those in the Italian Group Network and, in the limited instances where the Group has direct competition from third-party concessionaires or State-run motorways, the Group believes that its services are attractive to users because of the Italian Group Network's quality of services offered.

The Group regards rail and air travel as the principal alternative modes of transportation to the motorways. However, these alternative modes of transportation provide competition primarily for long distance travel point to point or the transport of goods for distances greater than 400 kilometres. Management believes that the flexibility and speed of road transportation and the lack of integration of other forms of transportation are the principal reasons for the continuing popularity of road transportation.

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 in long distance transportation, which represents only a limited percentage of the revenue of the Group.

In addition, the Group may face increasing competition from providers of alternative automated toll payment systems. The Group has developed interconnections which permit motorists to pay tolls via Telepass on any Italian toll motorway which has installed Telepass toll booths, regardless of who operates the toll motorway. Automated toll payment systems based on similar technology are in use throughout other parts of Europe, and an automated toll payment system based on the European global positioning system Galileo is currently under development. In the future, the Group expects that these competing automated toll payment systems will be interconnected, permitting a motorist using any single technology to use any toll motorway in Europe covered by another system. The Group's patents related to Telepass expire in October 2009.

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 Europe-wide basis. See "Risk Factors".

## **Insurance**

The Group maintains various insurance policies as protection against certain risks associated with operating and maintaining the Italian Group Network and associated infrastructure as well as activities of its subsidiaries. As at 30 June 2009, the Group's coverage includes, among other things, general liability insurance of up to a maximum of €25 million of coverage per accident by motorway users on the Italian Group Network and up to €7.5 million of coverage per event or per year for environmental damage, all risks insurance of up to €155 million to any real property and building contents owned by the Group (including its electronic information and toll collection equipment and equipment at the Group's communications centre in Florence) and up to €150 million of coverage per event and €100 million of coverage for lost profits per event or per year (determined in occurrence with a formula included in the relevant policy) for damage caused to the Italian Group Network motorway infrastructure. In addition, each construction company hired by the Group is required under Italian

law to have all risks insurance, workers insurance and liability insurance covering all damages to the particular project it is constructing for the Group. The Group's policies, however, do not cover labour unrest, 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. See "Risk Factors".

## **Properties**

With the exception of certain office buildings in Rome and Florence which are owned by the Group, most of the real property occupied by the Group's subsidiaries in connection with their activities will revert to the State at the expiry of the relevant Concession.

## **Legal Proceedings**

As part of the ordinary course of its business, companies within the Group are subject to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Italian Group Network. The Group believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its business, financial condition or prospects. As at 31 December 2008, the Group had accrued a €105.1 million provision in its financial statements for non-tax litigation and a €1.7 million provision for tax litigation. A summary of the most significant proceedings is set forth below.

### ***Litigation regarding the Concessions and tariffs***

#### ***CODACONS***

Administrative proceedings instituted by CODACONS, a consumer advocacy association, are still pending with respect to Autostrade Italia's 1999 and 2003 tariff increases.

On 23 March 2009, CODACONS and other private entities filed suit in the Lazio "TAR" (the regional administrative court of Lazio) against all the public bodies involved and SAT, contesting the minutes of the meeting of 18 December 2008 during which CIPE approved, subject to certain requirements and recommendations, the preliminary design for the "Rosignano Marittima-Civitavecchia" section of the A12 motorway (the "CIPE Resolution"). In June 2009, three further actions were brought before the Lazio TAR by private parties contesting CIPE's approval of the preliminary design. The actions also challenge the documents and assumptions supporting approval of the works.

Furthermore, in July 2009 CODACONS and other private entities filed three extraordinary petitions before the President of the Republic of Italy against the CIPE Resolution. The proceedings related to such petitions are pending, and the hearing dates are still to be established.

### ***Damages suffered by users***

Each year approximately 700 proceedings are initiated for damages arising from accidents on the Autostrade Italia Network. Over 90% of these proceedings are for damages worth less than €20,000 and are handled directly by Autostrade Italia. The Group's insurers handle the remaining proceedings, few of which are considered serious. Management believes that its insurance policy provides adequate coverage for these claims and that it is therefore not necessary to set aside sums in its reserves to cover such risks.

There are typically a number of criminal actions relating to car accidents brought against employees of the Group who operate a particular section of the Italian Group Network. In some cases, these actions have resulted in the imposition of relatively small fines against employees. In such cases the fines have been paid by the Group or by its insurers. Presently, there are approximately 34 such criminal cases currently pending against employees of Autostrade Italia. The Group fully supports its employees and is providing the employees with the necessary assistance in connection with these proceedings, including the payment of lawyers' fees and other expenses.

### ***Sub-contractor claims***

The Motorway Subsidiaries are subject to various claims made by third-party contractors with whom they have contracted for certain construction and maintenance projects on the Italian Group Network. While these claims in aggregate are significant, in the Group's experience actual payments made by it have amounted only to a small portion of the amounts originally claimed. At 31 December 2008, claims totalling approximately €1,030 million had been made by third-party contractors in relation to construction and maintenance projects on the Autostrade Italia Network. Autostrade Italia has, following its evaluation of the merits of these claims, set aside reserves in an amount it believes will provide sufficient coverage for any related risks.

Since 1993, a proceeding has been pending against Autostrade Italia with respect to the construction of the motorway connecting the Genova Airport junction on the A10 Motorway and the State-run motorway SS1 Aurelia. Such construction works were subcontracted to Astaldi (formerly CILT) by Autostrade Italia, the concessionaire appointed by ANAS for the construction works. On 25 February 2005 the Civil Court in Rome decided in favour of Astaldi and ordered Autostrade Italia to pay approximately €57 million to Astaldi, which amount was later lowered to €30 million. Autostrade Italia appealed the decision, which is still pending. The €30 million payment has been made to Astaldi with reservation of title, such that the payment will be reimbursed should the sentence be reversed on appeal.

A small number of proceedings initiated by sub-contracting firms are pending against RAV with respect to the construction of the A5 Aosta-Monte Bianco motorway from Aosta to Morgex. While the aggregate amount of damages claimed is significant, the Group believes that, based on its experience with claims of this nature, only a small portion of the claims will ultimately be paid out, and, in any event, ANAS has undertaken to contribute 65% of the total aggregate investment, which has in the past included costs and settlements relating to sub-contractor litigation.

Torno-Fioroni started an arbitration proceeding against RAV claiming payment of approximately €50 million. On 3 October 2003, the arbitration panel issued a decision sentencing RAV to the payment of €30 million, which RAV appealed. Torno-Fioroni made another claim for payment of an additional amount of approximately €37 million after the commencement of the arbitration proceedings. RAV offered a settlement of €12 million for all outstanding claims by Torno-Fioroni, but such settlement was not approved by ANAS in April 2007, and as a result the matter is still in litigation.

### ***Noise pollution***

There are a number of proceedings against the Group pending in various local courts which were instituted by either local authorities or private parties regarding the noise levels generated by Autostrade Italia's motorways. In other cases the Group has brought actions challenging the decisions of local authorities requiring it to take remedial action to reduce noise levels. As a result of these proceedings, the Group has had, in some instances, to adopt measures designed to reduce noise levels on the Italian Group Network such as the planting of rows of trees beside the motorway or erecting sound barriers.

### ***Anti-trust investigation with respect to motorway mechanical emergency services***

On 10 December 2007, the Italian Anti-Trust Authority notified Autostrade Italia of an increase in the scope of its investigation into the provision of emergency breakdown services, which had been instituted in September 2007 with respect to Strada dei Parchi, SAT and ANAS for alleged abuse of their dominant position, and into ACI Global and Europ Assistance for restrictive practices. The Italian Anti-Trust Authority issued a ruling on 23 October 2008 marking the conclusion of the procedure and acknowledging the commitments given by Autostrade Italia. On 5 December 2008 Autostrade Italia submitted a report to the Italian Anti-Trust Authority setting out the steps taken to fulfil such commitments, with a view to implementing the necessary changes with effect from October 2009. ACI Global and Europ Assistance appealed the ruling in January 2009 and the Lazio TAR upheld such appeals on 22 April 2009. The term for the Italian Anti-Trust Authority to appeal the sentence expired on 21 October 2009.

### ***Litigation with ANAS***

All prior litigation between Autostrade Italia and ANAS has been settled in compliance with Article 38 of the Single Concession Contract.



Litigation proposed by Autostrade Italia that falls outside the scope of Article 38 of the Single Concession Contract, but is not yet withdrawn, is described below:

- (a) In May 2008, Atlantia and Autostrade Italia brought two separate claims before the Lazio TAR (R.G. 4497/08 and R.G. 4528/08) for the annulment of the Interministerial Decree 29 February 2008 that implements the Interministerial Directive 30 July 2007, adopted by the Ministry of Infrastructure and the Ministry of Economy and Finance and which set out the criteria to be followed in the event of authorisations for changes to the motorways' concessionaire, on the basis that such decree is illegitimate. The claims, which will likely be joined, are currently pending.
- (b) By deed executed on 12 October 2007, Autostrade Italia and ANAS expressly ruled out of the scope of Article 38 of the Single Concession Contract the claim brought by Autostrade Italia before the Civil Court in Rome (R.G. 41 87/05) against Astaldi and ANAS. See “— Legal Proceedings — Sub-contractor claims”.

## Regulatory

The Italian Group Network is operated under eight motorway Concessions issued by ANAS, the entity responsible for the construction and operation of State roads and motorways in Italy.

The Italian motorway sector is governed by a series of laws, ministerial decrees and resolutions by CIPE, which have been issued and amended over time, as well as generally applicable laws and special legislation, such as the road traffic code. Motorway concessionaires must operate pursuant to this regulatory framework, as well as pursuant to the concession agreements entered into by the concessionaires and ANAS.

The following table lists the Concessions held by the Group's Motorway Subsidiaries, specifying the expiry date and the number of kilometres granted under each Concession.

<b>Concession Holder</b>	<b>Concession</b>	<b>Kilometres of Motorway</b>	<b>Expiry Date</b>
Autostrade Italia	Autostrade Italia Network	2,854.6	2038
Strada dei Parchi	A24 Rome-Teramo/A25 Torano-Pescara	281.4	2029
Società Autostrada Tirrenica	A12 Livorno-Civitavecchia	36.6	2028
Torino-Savona	A6 Turin-Savona	130.9	2038
Autostrade Meridionali	A3 Naples-Salerno	51.6	2012
Raccordo Autostradale Valle d'Aosta	A5 Aosta-Mont Blanc	32.3	2036
Tangenziale di Napoli	Naples ring-road	20.2	2037
Traforo Stradale del Monte Bianco	T1 Mont Blanc Tunnel	5.8	2050 <sup>(1)</sup>

<sup>(1)</sup> Pursuant to a new agreement between Italy and France relating to the operation of the Mont Blanc Tunnel, effective 1 October 2008, the expiry date of the concession governing the Mont Blanc Tunnel was extended to 31 December 2050.

The Autostrade Italia Concession, the concession governing the Autostrade Italia Network, the Group's most significant motorway network, is governed pursuant to a concession agreement entered into on 12 October 2007 (the “Single Concession Contract”). The Single Concession Contract replaced a series of earlier agreements between Autostrade Italia and ANAS and implemented the regulatory provisions set out in Law 286/06 (as defined below). See “— Regulatory Background — Important Developments in the Regulatory History of the Concessions”. The Group's other motorway concessions are governed pursuant to a series of different concession agreements. The Group expects that all of these concessions (except Mont Blanc) will be amended in whole or in part so as to comply with the changes effected by Law 286/06, however no assurance can be given with respect to the timing of any such amendments. See “Risk Factors — Risks Relating to the Business of the Group”.

### ***Regulatory Background — Important Developments in the Regulatory History of the Concessions***

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

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

- (i) contain an investment plan (which provides estimates of the economic and financial performance of the concessionaire and includes the expected works to be performed by the concessionaire during the concession, the estimated cost of such works and expected State subsidies, if any) which is subsequently approved by the Italian Ministries of Infrastructure and Treasury;
- (ii) set out rules for the allocation of works according to applicable law in force, including EU environmental legislation;
- (iii) broaden the concessionaire's scope of activity, with the aim of improving its management and diversifying services offered to customers; and
- (iv) eliminate restrictions on the shareholders of the concessionaire companies.

Since 1993, CIPE has issued several directives regarding the relationship between ANAS and the individual concessionaires, which form the basis for a standard concession agreement prepared by the Ministry of Infrastructure (the "Standard Concession Agreement"). The Standard Concession Agreement provided the general terms which were expected to govern subsequent concession agreements between ANAS and concessionaires.

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

Law Decree No. 262 of 3 October 2006, which was enacted into law on 24 November 2006 as Law No. 286/2006 (as subsequently amended, "Law 286/06") and subsequently amended by Law No. 296/2006 ("Law 296/06") and by Law No. 101/2008, established a new regime for motorway concessions primarily through the requirement that concessionaires enter into a comprehensive new concession agreement following specific binding guidelines. All concessionaires are required to enter into such new concession agreement upon the earlier to occur of an update to the relevant concession's financial plan (the "Concession's Financial Plan) or revision of the relevant concession agreement following the effectiveness of the new legislation. Law 286/06 provides, 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) the terms for the allocation of additional 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) that ANAS may define general levels of quality standards, as well as more specific standards regarding individual services provided by concessionaires;
- (v) that motorway concessionaires must adopt public procurement procedures for the awarding of contracts for works, and for those services and supplies with a value of more than the EU limit, and government committees must be used to determine to whom such contracts should be awarded;

- (vi) that concessionaires must meet the capital adequacy requirements that shall be established by a decree from the Minister of the Economy and Finance and the Minister of Infrastructure; and
- (vii) for a system of sanctions and penalties in the event of a breach of the concession.

Law 286/06 also made substantial changes in the tariff adjustment procedure. Pursuant to such procedure, the concessionaire is required to inform ANAS of its proposed tariff adjustment by 30 September and by 31 October of each year. Based on this information, ANAS must propose new tariffs to the Ministry of Infrastructure and Transport (formerly the Ministry of Infrastructure) and the Ministry of Economy and Finance (formerly the Ministry of Treasury) within 45 and 30 days, respectively, following receipt of such information. The Ministry of Infrastructure and Transport and the Ministry of Economy and Finance each have 30 days from receipt of either communication to question the information contained therein or otherwise challenge the tariff increase. A challenge might result if ANAS had, in its oversight role, provided notice of material deficiencies in the concessionaire's performance by 30 June of that year. Approved tariff adjustments generally become effective by the first day of January of the following year.

In accordance with Law 286/06, CIPE issued a new directive in June 2007 ("Directive 39/07") that introduced criteria and parameters for determining motorway tariffs. Directive 39/07 is applicable to all new concessions and existing concessions where the concessionaire requests a re-alignment of the Concession's Financial Plan, as well as to new investments under existing concessions which were not yet approved at 3 October 2006, or which were approved but not included in the investment plan at such date. Directive 39/07 introduced a new tariff formula which provides for a re-alignment of tariffs every five years to reflect traffic and cost trends and investment costs in an effort to provide the concessionaire with an agreed rate of return.

Pursuant to Law 2/09, Law Decree 59/2008 was amended to enable motorway concessionaires to agree a simplified formula for the annual tariff rate adjustment calculation based, for the entire term of the concession, on a fixed percentage of real inflation, the return of invested capital as set forth in Italian Law 47/2004 and new investments as set forth in the Directive 39/07.

Further, Law 2/09 introduced changes to the applicable rules with respect to various terms of the concession, such as amendments to the terms for the approval of the annual tariff adjustments, changes to the financial solidity undertakings by the concessionaires, and abrogation of the provisions regarding the termination of the concession if no agreement is reached with the concessionaire.

### ***The Autostrade Italia Concession***

#### *Legal Framework*

On 6 June 2008 the Italian Parliament passed Law No. 101/2008 which approved all the draft concession agreements with ANAS already executed by motorways concessionaires and, consequently, the Single Concession Contract entered into by Autostrade Italia and ANAS on 12 October 2007 in accordance with Law 286/06. The Single Concession Contract replaced the previous agreements between the parties relating to the Autostrade Italia Concession. Prior to the enactment of the Single Concession Contract, the Autostrade Italia Concession was governed by a concession agreement entered into with ANAS in 1997 (as subsequently amended, "1997 Concession Agreement") and a series of supplementary addenda, the most significant of which was entered into in 2002 (the "2002 Supplementary Agreement"). The 2002 Supplementary Agreement approved a new investment plan at that time and introduced new criteria for determining some of the elements of the price-cap mechanism previously instituted to regulate tariff increases in order to compensate Autostrade Italia for the additional capital expenditure commitments undertaken at that time. See "— Motorway Capital Expenditures — Works" and "— The Autostrade Italia Concession — Tariff Rates".

#### *Key Concession Terms*

The Single Concession Contract grants Autostrade Italia the right to continue to operate and manage the motorways and related infrastructure granted under the concession until 31 December 2038.

The Single Concession Contract implemented (i) a new formula for tariff adjustments; (ii) new detailed rules on Autostrade Italia's rights and obligations; and (iii) a revised investment plan. The investment plan and tariff formula are set forth in more detail below.

### Autostrade Italia's Obligations

In particular, Autostrade Italia's main obligations include the duty:

- (i) to manage and maintain the motorway infrastructure;
- (ii) to organize, maintain and promote motorist assistance services;
- (iii) to design and execute works specified in the Single Concession Contract, such as the construction of additional lanes and motorway sections and junctions;
- (iv) to keep detailed financial accounts, including traffic data, for each section of motorway;
- (v) include a clause in the by-laws Autostrade Italia requiring that its Board of Statutory Auditors include an officer of ANAS;
- (vi) to maintain a debt service coverage ratio ("DSCR") throughout the period of the applicable concession;
- (vii) for activities directly connected to the construction and maintenance of highways (not including activities already specified in the Single Concession Contract), to grant works, services and supplies by means of competitive procedures, all in accordance with existing laws and regulations, and accordingly:
  - Autostrade Italia shall operate as an awarding authority in compliance with the Code (as defined below);
  - ANAS shall approve calls for tenders;
  - the tenders' commissions must be appointed by the Ministry of Infrastructures and Transport;
  - Autostrade Italia shall grant petrol services and the related commercial activities to entities in possession of appropriate technical and financial capacities as provided for by Article 1, Paragraph 939 of Law 286/06;
  - Autostrade Italia shall prevent its linked entities, which have been granted the design, from participating in tenders for the award of the related works;
- (viii) to reserve, on an annual basis, a portion of shareholders' equity in an amount equal to the net benefits it has received from delays in investments that are not compensated through tariffs (such as those under the 1997 Concession Agreement), until such time as the originally planned investment amounts have been made;
- (ix) to have available irrevocable financing or cash or cash equivalents committed to investment funding in an amount equal to the investment gap (the difference between planned and realized investments) with respect to a particular investment plan; and
- (x) not to provide financing to or guarantees for entities that are controlling, controlled by, otherwise under common control or affiliated with Autostrade Italia pursuant to Article 2359 of the Italian Civil Code, except for subsidiaries of affiliated companies operating in roadway infrastructure or in order to enable larger capital raising at more favourable terms.

### Extraordinary Transactions

Certain extraordinary transactions involving Autostrade Italia, such as mergers, de-mergers, liquidation, winding-up, change in purpose or movement of its headquarters, require the prior express approval of ANAS. ANAS must also give prior approval to the sale of the controlling interest in the majority of the Group's Concessions. If the DSCR of Autostrade Italia is within certain limits, the prior approval is not required for the disposal of other financial assets by Autostrade Italia. ANAS consent is not required for the acquisition of

financial assets. ANAS' consent is not required for transactions that could result in a change of control of Autostrade Italia as long as certain minimum conditions and requirements relating to the transferee are met, or for any transactions that could result in a change of control of Atlantia.

### Revenue Sharing

In addition, there is a built-in revenue sharing mechanism for toll revenues deriving from traffic growth that exceeds the traffic growth figures forecasted in the Single Concession Contract. Autostrade Italia is required to pay net revenues from traffic exceeding such forecasted amounts into a fund dedicated to investments for quality improvements along the Autostrade Italia Network. Where average annual traffic growth exceeds such forecasts by between 1.0% and 1.5%, then 50.0% of any such net profit must be allocated to the fund; where average annual traffic growth exceeds such forecasts by more than 1.5%, then 75.0% of any such net profit must be allocated to the fund.

Autostrade Italia is required to pay penalties and sanctions for each event of non-performance or default of certain specified obligations under the Single Concession Contract. Penalties range from €10,000 to €2.0 million, with the highest penalty being for failure to maintain motorway quality standards at or above 2006 levels. Sanctions range from €25,000 to €5.0 million, with the highest sanction being for failure to obtain requisite approval for an extraordinary transaction, such as a merger. The maximum amount of sanctions in any given year cannot exceed 10% of revenues for that year, up to a maximum of €150.0 million.

### Concession Payments

Under the Single Concession Contract, in accordance with Law 296/06, Autostrade Italia is required to pay an annual fee equal to 2.4% of the net toll revenues and 5.0% of the revenues derived from any subconcessions or subcontracts, including fees related to the commercial use of the telecommunications networks, which annual fee on subconcessions or subcontracts increases to 20.0% for new services coming into existence after 8 June 2008 or which relate to services in new service areas.

### Expiry or Termination of Concession

Upon the expiry of the Single Concession Contract, Autostrade Italia is required to transfer to ANAS the motorways and related infrastructure without compensation and in a good state of repair.

The Single Concession Contract sets out procedures for early termination of the concession in the event of material and continuing non-performance by Autostrade Italia of the material terms of the concession. Similarly, the concession is subject to early termination by Autostrade Italia in the event of non-performance by ANAS or material changes in the legal framework of the concession. In the event of early termination of the Autostrade Italia Concession, ANAS would step into the shoes of Autostrade Italia, assuming all its obligations and receiving all of its benefits under the Autostrade Italia Concession. In return, Autostrade Italia is entitled to receive a cash payment equal to the net present value of the expected cash flows until the end of the term of the concession, net of costs, liabilities, investments and projected taxes, less the outstanding net financial debt ANAS assumes from Autostrade Italia. In the event that the early termination is due to Autostrade Italia's failure to meet its obligations, such payment is reduced by 10.0% plus any damages.

In the event that ANAS finds material and continuing non-performance by Autostrade Italia of material terms of the concession, it must issue a notice to Autostrade Italia requiring it to rectify such non-performance within a specified and reasonable timeframe or provide the reasons for the non-performance. If the reasons provided are not acceptable or the non-performance is not rectified within the specified timeframe, then ANAS may, following confirmation of the continuing material breach, commence proceedings to terminate the concession. Such proceedings are a preliminary phase in which Autostrade Italia is given notice of the breach and formally requested to cure the breach within a set time period, which cannot be less than 90 days. During this time, Autostrade Italia can present its position and objections. At the end of such time period, if the breach continues or in the event that ANAS rejects the concessionaire's objections, ANAS is required to set out another time period of not less than 60 days within which the concessionaire must cure the breach. If Autostrade Italia does not cure the breach within this 60 day period, ANAS may request that the Ministry of Infrastructure and Transport, jointly with the Ministry of Economy and Finance, issue a decree declaring the termination of the concession. In such an event, the concessionaire is obliged to continue managing the concession until management of the concession is transferred.

### *Investments and Cost Overruns*

The Single Concession Contract provides for capital expenditures as described under “— Motorway Capital Expenditures — Works”.

Under the Single Concession Contract, Autostrade Italia has assumed the obligation to pay all cost overruns necessary to complete the investments that remain to be completed under the 1997 Concession Agreement. See “Motorway Capital Expenditures — Works”. For the planned project investments under the 2002 Supplementary Agreement and the new investments to be undertaken pursuant to the Single Concession Contract (the “New Investment Plan”), Autostrade Italia will assume the obligation to finance cost overruns that are incurred in excess of the approved investment amount resulting after ANAS’ approval of the final project, (the “ANAS Approved Investment Amount”) with the exception of cost overruns due to force majeure or resulting from acts by third parties.

The Single Concession Contract also provides that, in the event the final expenditure for a given investment is less than the amount approved for such investment, 80% of the amount saved (net of the effect of any taxes) must be used to finance new investments which would otherwise be financed through tariff increases.

### *Tariff Rates*

The tariff rate adjustment, applicable from 1 January of each year, is calculated in accordance with the following formula:

$$70\% * CPI + X + K$$

In this formula:

- CPI represents the actual rate of inflation for the previous twelve month period from 1 July to 30 June as measured by the Italian Institute for Statistics (*Istituto Nazionale di Statistica*, or ISTAT);
- X is added to the formula when calculating tariff rate adjustments relating to works being carried out under the 2002 Supplementary Agreement. It is an investment factor that remunerates the investments from the 2002 Supplementary Agreement using the rate of return agreed under the 2002 Supplementary Agreement for the additional capital programme of 7.2% real post-tax; and
- K is added to the formula when calculating tariff rate adjustments under the New Investment Plan. It is an investment factor that remunerates the new investments in the Single Concession Contract calculated using the regulated asset base (RAB) system, in which a return on investment equal to WACC pre-tax is acknowledged.

Annual tariff increases must be communicated to ANAS and approved in accordance with the procedures set out in Law 286/06. Once approved, such increases become effective by the first day of the following year.

The toll charge increases for 2009 to be introduced by Autostrade Italia were applied from 1 May 2009, following their suspension until 30 April by Law Decree 185/2008 dated 29 November 2008, converted into Law 2/2009 on 28 January 2009 (“Law 2/09”). The increase in the toll surcharge, passed on in full to ANAS, came into effect from the same date.

In compliance with the terms of the Single Concession Agreement, following approval of Law 101/2008, the tariff increase to be applied by Autostrade Italia for 2009 amounts to 2.40% and consists of three components:

- 1.89%, representing 70% of the inflation rate over the period 1 July 2007 – 30 June 2008;
- 0.47%, to cover the costs incurred by Autostrade Italia with regard to the additional investments included in the 2002 Supplementary Agreement and calculated on the basis of the state of progress of the related works; and
- 0.04%, in the form of an adjustment, based on the terms of the Single Concession Agreement, to make up for the difference between the accumulated tariff increases due to be applied after 1

January 2007 in accordance with the new price cap formula and those effectively permitted for 2007 and 2008.

The Single Concession Contract has a pass-through mechanism which provides that Autostrade Italia shall have a right to adjust tariff rates in order to be compensated in the event of (i) an increase in the concession fee or the introduction of taxes having a specific impact on the motorway industry or (ii) legislative changes regarding the construction or management of the Italian Group Network that cause further investments not initially envisaged in the Single Concession Contract.

### ***Other Group Concessions***

#### *Legal Framework*

In 2009 the Motorway Subsidiaries (with the exception of Mont Blanc Tunnel, which operates under a different concession regime) are proceeding to negotiate, on a voluntary basis, the terms of the new single concession agreements with ANAS, pursuant to the provisions of Law 286/06 and subsequent amendments. All the companies (with the exception of Torino-Savona) have asked ANAS to revise the concession conditions pursuant to CIPE Directive 39/2007. Torino-Savona, on the other hand, has asked ANAS to draw up a single concession agreement based on the previous agreement (without, therefore, altering the concession conditions), informing ANAS of its wish to take advantage of the provisions of art. 3.c.5 of Law 2/09. This gives motorway concessionaires the option of reaching agreement with ANAS on a simplified formula for calculating the annual adjustment to toll charges based on a fixed percentage, to be applied throughout the concession term, for the real inflation rate.

On 11 March 2009 SAT and ANAS signed a draft single concession agreement providing for the completion of the Tyrrhenian motorway between Rosignano and Civitavecchia, the total investment for which is expected to be approximately €3.2 billion over 8 years. SAM and Tangenziale di Napoli also signed their respective draft single concession agreements on 9 June 2009, re-executing them on 28 July 2009 in order to account for certain initial orders of the Ministry of Infrastructure. The draft single concession agreements for SAT, SAM and Tangenziale di Napoli will be effective once the approval process provided for by law has been completed with the registration of the related decrees approving the agreements with the Italian Court of Auditors.

The draft single concession agreements for SAT, SAM and Tangenziale di Napoli provide for the new tariff formula introduced by CIPE Directive 39/2007.

Until such time as the Group's other Motorway Subsidiaries enter into the new concession agreements required by Law 286/06, they will continue to operate under Concessions that follow the guidelines set with ANAS in the Standard Concession Agreement.

#### *Key Concession Terms*

The concessionaire's duties under the Standard Concession Agreement are to:

- (i) manage and maintain the motorway infrastructure in conditions of "financial and economic" equilibrium;
- (ii) maintain and repair the relevant motorway sections;
- (iii) organise and maintain motorist assistance services;
- (iv) design works specified in the Concession such as the construction of additional lanes and motorway sections and junctions, both to meet traffic safety requirements and to maintain the level of services offered;
- (v) award contracts for works and for the supply of assets and services by competitive tender, in accordance with existing laws;
- (vi) keep its accounts in the manner specified by the Standard Concession Agreement;

- (vii) provide ANAS, upon request, with information relating to revenues, expenses and the holding of shares in subsidiaries and other affiliated companies; and
- (viii) maintain a clause in the by-laws requiring that the Board of Statutory Auditors include an officer of ANAS as well as an officer from the Ministry of Treasury, who shall act as Chairman.

#### Expiry or Termination of Concession

The motorway sections and related infrastructure which are the subject of the concession are required to be transferred without compensation and in good state of repair to ANAS upon the expiry date of the concession. In the event of any loans taken out for works have not been repaid in full during the concession period, the Motorway Subsidiary needs to negotiate a provision for the early repayment of such loans at the concession expiry date.

A concession may be terminated early in the event of a relevant and predefined material and continuing non-performance by the concessionaire. In such cases, ANAS may issue a notice requiring the concessionaire to rectify any non-performance of its obligations within a specified and reasonable timeframe. During such timeframe, the concessionaire may object to the contents of that notice. If these objections are not accepted or it does not rectify such non-performance in the specified timeframe, then ANAS is entitled to request a declaration of termination of the concession. Upon ANAS' request, the Ministry of Infrastructure, jointly with the Ministry of Treasury, can issue a decree declaring the termination of the concession. In such event, the concessionaire is obliged to continue managing the concession until a ministerial decree granting the concession to another entity is enacted. In the event of early termination of the concession, the concessionaire would be required to transfer to ANAS all of the concession's assets. The economic terms of any such transfer are not set out in the current concessions and would need to be negotiated between the parties.

#### *Investments and Cost Overruns*

For project investments of the other Motorway Subsidiaries, the relevant Motorway Subsidiary assumes the obligation to pay cost overruns necessary to complete the committed investments. Pursuant to Law 286/06, each concession will be reviewed and each of the Motorway Subsidiaries may choose to apply the new tariff formula pursuant to Directive 39/07 which provides for a re-alignment of tariffs every five years to reflect investment costs. In such case the relevant Motorway Subsidiary will assume the obligation to finance cost overruns only in excess of the ANAS Approved Investment Amount, with the exception of cost overruns due to force majeure or resulting from acts by third parties.

#### *Tariff Rates*

The applicable price-cap mechanism for Motorway Subsidiaries (other than Mont Blanc Tunnel, which is described below) was established in such Motorway Subsidiaries' respective Concessions commencing in 1999 on the basis of the price-cap mechanism established by CIPE at the end of 1996. Until such time as a new tariff formula becomes applicable pursuant to the application of Law 286/06, the annual percentage change in the tariff rate for a concessionaire under the price-cap mechanism will be calculated with the following formula:

$$\Delta T \leq \Delta P - X + \beta \Delta Q$$

In this formula,  $\Delta T$  represents the change in the tariff rate;  $\Delta P$  represents the annual rate of projected inflation in Italy;  $X$  is the productivity recovery target; and  $\beta \Delta Q$  represents the change in the service quality (measured according to predetermined parameters).

The projected rate of inflation in Italy is established annually by the Government in its Economic and Financial Plan. The expected productivity coefficient is set every five years by ANAS in agreement with the concessionaire and is based on the following factors: (i) adequate return on invested capital; (ii) future investment projects; (iii) expected changes in productivity; and (iv) the expected changes in demand and development of the competitive conditions in the markets in which the concessionaire operates. The service quality factor is set on an annual basis and is currently based on two components: the smoothness and grip of the motorway road surface and the accident rate on its motorways. See "Risk Factors".

Annual tariff increases must be approved in accordance with the procedures set out in Law 286/06. See "— Regulatory Background — Important Developments in the Regulatory History of the Concessions".



With respect to the Mont Blanc Tunnel, tariff rate adjustments are based on a concession agreement between the Italian and French States which establishes that the requests for revision of tariff rates by Mont Blanc Tunnel (which are usually made on an annual basis) must be sent to a Franco-Italian Intergovernmental Control Commission. This Commission then evaluates the reasons for the requested increase in the tariff rates (which usually relate to increases in inflation in Italy and France and planned investments in works) and decides what increase, if any, is to be granted.

The toll charge increases for 2009 for the Group's other Motorway Subsidiaries were applied from 1 May 2009, following their suspension until 30 April by Law 2/09. The following increases have been applied:

<u>Motorway Subsidiary</u>	<u>Tariff Increase</u>
Raccordo Autostradale Valle d'Aosta .....	0.51%
Torino-Savona .....	0.73%
Società Autostrada Tirrenica .....	5.14%
Strada dei Parchi .....	0.00%
Tangenziale di Napoli .....	6.63%
Autostrade Meridionali .....	4.89%

The increase in the toll surcharge, passed on in full to ANAS, came into effect from the same date. The surcharge rose from €0.0025 to €0.0030 per km for vehicles in classes A and B, and from €0.0075 to €0.0090 per km for all other classes.

In accordance with decrees issued by the Italian Ministry of Infrastructure and Transport, in agreement with the Italian Ministry of the Economy and Finance, RAV, Torino-Savona, SAT, Tangenziale di Napoli and SAM have been given the go-ahead to apply the tariff increases due under their respective concession agreements. In the case of SAT and SAM the new tariffs include the increases not applied for 2007 and 2008, and in the case of Tangenziale di Napoli they include the increases not applied for 2008. Strada dei Parchi has not been permitted to apply the requested tariff increase as ANAS claims that the company is in breach of its concession agreement. The new agreement being negotiated with ANAS will contain specific provisions in this regard. On 24 June 2009, Strada dei Parchi filed a petition for the annulment of the ministerial decree dated 30 April 2009 that suspended the increase of the fees for year 2009 requested by the concessionaire. Such petition is currently pending before the Lazio TAR.

#### ***Subcontracts for Services on the Motorways***

Subcontracts for food and beverage and mini-market and petrol service stations are granted to third parties for the management of service areas through competitive procedures. The offers proposed by the candidates are evaluated on technical, qualitative and economic bases. Generally, the Subcontracts grant each Subcontractor the right to perform one or more services in a single service area. 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 buildings and infrastructure built by the Subcontractor must be transferred to the Group in a good state and condition with no compensation to the Subcontractor. Under a Subcontract, the Subcontractor undertakes to pay to the relevant Motorway Subsidiary a fixed amount plus a royalty based on the revenues generated from sales.

Upon the expiration of a Subcontract, a new Subcontract must be granted following a competitive bidding procedure, in accordance with the concession agreement, relevant law and, with respect to food and beverage Subcontracts, pursuant to decision number 8090 of the Italian Anti-Trust Authority dated 2 March 2000 (the "Anti-Trust Decision"). Pursuant to the Anti-Trust Decision, so long as Edizione ultimately controls Atlantia, through Sintonia and Schemaventotto or otherwise, and concurrently controls Autogrill, directly or indirectly, the granting of a Subcontract is subject to the following conditions: that (i) Autostrade Italia and the other Motorway Subsidiaries may only award food and beverage and mini-market Subcontracts pursuant to an open, competitive, non-discriminatory bid procedure set forth by ANAS, (ii) that an independent expert is engaged to manage all aspects of such bid process and (iii) that Autogrill does not increase its percentage market share of the food and beverage and mini-market Subcontracts above 72%.

Pursuant to an indemnification agreement between Autostrade Italia and Edizione, Autostrade Italia is required to indemnify Edizione for certain liabilities incurred by it as a result of violations or misapplications by

Autostrade Italia of the Anti-Trust Decision. See “Risk Factors” and “Certain Relationships and Related Party Transactions”.

### ***Regulatory Developments Related to Works***

Legislative Decree No. 163 of 12 April 2006, known as the “Code of Public Contracts Related to Works, Services and Supplies in Application of EU Directives 2004/17/EU and 2004/18/EU” (the “Code”), sets out in a single text the entire legal framework for public tenders in Italy. Provisions unified in the Code were previously set out in a series of different laws and regulations such as, among others, Law No. 109/1994 (known as the Merloni Law), Law No. 443/2001 (known as *Legge Obiettivo*) and Legislative Decree 358/1992.

The Code became effective 1 July 2006 following a series of standard law provisions for the awarding and execution of public contracts for works, services and supplies and also provides a series of specific rules regarding public works, the concession of public works and works related to strategic infrastructure and production facilities.

Law Decree 286/06 requires all motorway concessionaires to act as contracting authorities in the awarding of contracts for works, and for those services and supplies having a value in excess of the EU limit, in accordance with the Code.

As regards works related to strategic infrastructure and production facilities, the Code sets out a specific framework for the purpose of facilitating and streamlining the planning, approval and execution of certain public works projects, including motorway construction, deemed by CIPE to be strategically important for the State. This regulation provides that a preliminary project plan for motorway construction projects must be submitted to CIPE for its approval. The plan must include the estimated outcome of the project as well as a cost estimate, to be approved by CIPE. Agencies whose approval of the final plan was previously required, including the Ministry of the Environment, are permitted to participate in the approval hearing but do not have decision-making powers. The approval process for strategically important public works is expected to be reduced to approximately thirteen months, including six months for the preliminary project plan and seven months for final approval.

Pursuant to Law Decree No. 207/2008 converted into law on 24 February 2009, the Italian legal framework applying to motorway concessionaires for public tenders was amended. In particular, under Article 11, Paragraph 5, letter c), of Law No. 498/1992, as amended by Law Decree No. 207/2008, in awarding construction works to third parties, concessionaires not regarded as contracting authorities must comply with the Code. Accordingly, the new regime regarding the award of construction works to third parties provides that motorway concessionaires not regarded as contracting authorities (i) must comply with the Code within the limits set forth in Article 142, Paragraph 4; and (ii) are now required to award to third parties at least 40% of the construction projects by public tender. The remaining 60% of such construction works may be performed by the motorway concessionaires internally or awarded directly to subsidiaries or affiliates and do not need to be put to public tender.

## MANAGEMENT

### Board of Directors

The Board of Directors of Atlantia (“the Board of Directors”) is composed of fifteen members including thirteen non-executive directors and two executive directors (the Managing Director and the Chairman) who have been elected for a period of one year and may be re-elected. The current members of the Board of Directors were elected on 23 April 2009 and will hold office until the shareholders’ meeting called for the approval of the financial statements for the year ending 31 December 2009. The current members of the Board of Directors are as follows:

<u>Name</u>	<u>Title</u>	<u>Age</u>
Gian Maria Gros-Pietro .....	Chairman	67
Giovanni Castellucci.....	Chief Executive Officer	50
Gilberto Benetton .....	Director	68
Alessandro Bertani .....	Director	43
Alberto Bombassei .....	Director <sup>(1)(2)</sup>	69
Stefano Cao .....	Director	58
Roberto Cera.....	Director	54
Alberto Clò .....	Director <sup>(1)</sup>	62
Antonio Fassone .....	Director <sup>(2)</sup>	60
Carlo Malinconico .....	Director <sup>(1)</sup>	59
Giuliano Mari .....	Director <sup>(1)</sup>	64
Francesco Paolo Mattioli .....	Director <sup>(1)</sup>	69
Gianni Mion.....	Director	66
Giuseppe Piaggio.....	Director	71
Antonino Turicchi.....	Director <sup>(1)(2)</sup>	44

<sup>(1)</sup> Directors who have issued a declaration of independence.

<sup>(2)</sup> Directors elected to represent minority shareholders.

**Gian Maria Gros-Pietro.** Gian Maria Gros-Pietro has served as director and chairman of the Board of Directors since June 2002. Born in Turin on 4 February 1942, he is Professor of Economics at LUISS Guido Carli University, Rome and he is head of the Department of Economic Sciences and Management. From 1974 to 1995 he was Director of CERIS, CNR’s leading economic institute. He has been a member of the board of directors of ANAS and a member of Italrating’s Rating Committee. From 1997 to 1999 he was the Chairman of IRI and then of ENI from November 1999 to May 2002. Since December 2003 he has been Chairman of Federtrasporto, the Federation of Transport companies belonging to the Federation of Industry. Currently he is Chairman of Atlantia and Autostrade Italia.

**Giovanni Castellucci.** Giovanni Castellucci has served as a director since June 2006. Born in Senigallia (Ancona) on 23 July 1959, Mr. Castellucci graduated in Mechanical Engineering from the University of Florence in 1984 and completed his MBA at SDA Bocconi in Milan. From 1988 to 1999 he worked for the Boston Consulting Group, initially as a consultant, Case Leader and Manager in the Paris branch until 1991 and in Milan since 1991. Subsequently he became a partner of the Milan branch with responsibility for the Consumer Goods, Services sectors and Pharma Practices. In January 2000 he was appointed Chief Executive Officer of the Barilla Group. In June 2001 he joined Atlantia as Chief Operating Officer. Since April 2005 he has been the Chief Executive Officer of Autostrade Italia, maintaining the position of Chief Operating Officer of Atlantia. Since 2006, Mr. Castellucci has been the Chief Executive Officer of Atlantia. Mr. Castellucci is also a director of IGLI S.p.A. and is Vice President of Impregilo S.p.A.

**Gilberto Benetton.** Gilberto Benetton has served as director since April 2000. Mr. Benetton was one of the founders of the Benetton Group in 1965. Mr. Benetton serves as chairman of the boards of directors of Edizione S.r.L. and Autogrill, is a member of the boards of directors of Benetton Group S.p.A., Sintonia S.A. and Mediobanca S.p.A., Pirelli & C. S.p.A. and Allianz S.p.A.

**Alessandro Bertani.** Alessandro Bertani has served as a director since April 2009. Mr. Bertani graduated in Economics from Milan’s Bocconi University in 1990 and has worked at Mediobanca S.p.A. since 1992 and has been a Vice President since April 2006. He is a member of the boards of directors of Burgo Group S.p.A.,

Istituto Europeo di Oncologia S.r.l. (where he is also a member of the executive committee), ASA Autostrade Sud America S.r.l., Sintonia S.A. and Schemaventotto S.p.A.

**Alberto Bombassei.** Alberto Bombassei has served as director since April 2006. Mr. Bombassei is deputy chairman for industrial relations and corporate affairs of Confindustria (the organisation representing manufacturing and service industries in Italy). He is founder and chairman of the board of directors of Brembo S.p.A. and is a member of the boards of directors of Ciccolella S.p.A., Italcementi S.p.A., Pirelli & C S.p.A. and Nuovo Trasporti Viaggiatori S.p.A.

**Stefano Cao.** Stefano Cao has served as a director since April 2009. Mr. Cao has a degree in Mechanical Engineering and worked at Saipem S.p.A. from 1976 to 2000, serving as President and Chief Executive Officer from 1999 to 2000. He joined Eni S.p.A. in 2000, where he was a general director until August 2008. Since February 2009, Mr. Cao has been Chief Executive Officer of Sintonia S.A. He is a member of the board of directors of Telecom Italia S.p.A., Gemina S.p.A. and Aeroporti di Roma S.p.A.

**Roberto Cera.** Roberto Cera has served as director since 2000. Mr. Cera also serves as external legal adviser to the Group through the law firm of Bonelli Erede Pappalardo, of which he is a senior partner. Mr. Cera graduated with a degree in law from the University of Milan in 1978.

**Alberto Cló.** Alberto Cló has served as director since May 2003. Mr. Cló graduated with a degree in political science from the University of Bologna in 1970. He is currently an associate professor of industrial economy at the University of Bologna. He currently holds directorship positions with ENI, De Longhi S.p.A. and Italcementi S.p.A.

**Antonio Fassone.** Antonio Fassone has served as director since May 2003. Mr. Fassone graduated with a degree in architecture from the Politecnico of Turin in 1973 and has been registered with the board of architects since 1974. Prior to joining the Group, Mr. Fassone served as a member of the executive committee of the municipality of Asti covering public construction projects and economic activities and chairman of the Piemonte Region Division of *Istituto Nazionale Urbanistico* (the National Institute for Urban Development) and is a member of the Technical Commission for Urban Development of the Piemonte Region. He currently is a member of the board of directors of Fondazione Cassa di Risparmio di Torino.

**Carlo Malinconico.** Carlo Malinconico has served as director since April 2009. Mr. Malinconico graduated with a degree in Law from the University of Milan in 1972. He was a government lawyer from 1976 to 1985 and has taught as a law professor at several important Italian universities. Mr. Malinconico is currently a professor at the University of Rome-Tor Vergata.

**Giuliano Mari.** Giuliano Mari has served as director since April 2009. Mr. Mari has a degree in Chemical Engineering from Rome's "La Sapienza" University. From 1969 to 2002 he worked at IMI S.p.A., serving as President and general director from 1999 to 2002, and was then a general director of Cofiri S.p.A. from 2002 to 2004. Mr. Mari is a member of the board of directors of Engineering Ingegneria Informatica S.p.A., BCC Private Equity SGR S.p.A., Camuzzi S.p.A., Gruppo Baglietto, Atlantis Capital Special Situations S.p.A., Centroplast S.p.A., Di Zio Costruzioni Meccaniche S.p.A., Seli Società Esecuzione Lavori Idraulici S.p.A., SDN S.p.A. and Nuova Teatro Eliseo S.p.A.

**Francesco Paolo Mattioli.** Francesco Paolo Mattioli has served as director since May 2008. Mr. Mattioli graduated with a degree in Law from the University "La Sapienza" of Rome. In 1970 he gained a master's degree in Business Administration from the Harvard Business School in Boston, Massachusetts. In 1975 he joined the Fiat Group, where he has held several executive roles, including the position of Director of Finance, Planning, Administration and Control, Director General, Chief Financial Officer and Executive Vice President of Fiat S.p.A. with responsibility for diversified sectors. As a FIAT consultant, he is currently responsible for certain sections of the TAV project. He is currently member of the board of directors of Alitalia S.p.A., Beretta Holdings S.p.A., Prysmian S.p.A., Sara Assicurazioni S.p.A. and Sara Immobili S.p.A.

**Gianni Mion.** Gianni Mion has served as director since April 2000. Mr. Mion graduated with a degree in business from the University Ca' Foscari of Venice in 1966. Prior to joining the Group, he served as Chief Financial Officer of Marzotto S.p.A., vice-general manager of Gepi S.p.A., controller for McQuay Europa S.p.A. and an auditor for KPMG. Mr. Mion is currently the Chief Executive Officer of Edizione S.r.l. and holds directorship positions with Sintonia S.A., Benetton Group S.p.A., Autogrill, Luxottica Group S.p.A., and Fondazione Cassa di Risparmio di Venezia.

**Giuseppe Piaggio.** Giuseppe Piaggio has served as director since April 2000. Mr. Piaggio is also Vice-Chairman of Mont Blanc Tunnel. He graduated with a degree in business from the University of Turin in 1961 and has been registered with the board of *dottori commercialisti* since 1963. Prior to joining the Group, Mr. Piaggio provided tax and accounting consulting services and was advisor to the Bank of Italy. He currently serves as the chairman to Schemaventotto and is a member of the boards of directors of Autostrade Italia, Fondazione Cassa di Risparmio di Torino, IGLI S.p.A. and Impregilo S.p.A.

**Antonino Turicchi.** Antonino Turicchi has served as director since April 2009. He has a degree in Economics from the University of Rome and a masters in Economics from the University of Torino. From 1994 to 2002 Mr. Turicchi worked in the Ministry of Economics and Finance and from 2002 to 2009 he was a general director of Cassa Depositi e Prestiti S.p.A. He is currently a member of the supervisory boards of STMicroelectronics and Numonyx B.V.

As at 30 June 2009, the Group had no outstanding loans to members of the Board of Directors.

### ***Board of Directors Committees***

In accordance with the Corporate Governance Code recommended by the Italian stock exchange, in 2007 Atlantia introduced systems of corporate governance and established all of the committees recommended by the Italian stock exchange, with the exception of a Nominations Committee. The Board of Directors determined that a Nominations Committee is not required because Atlantia's procedure to appoint new directors by list vote is transparent and compliant with the requirements of the Corporate Governance Code.

### ***Executive Committee***

In 2005, the Board of Directors deemed it opportune to confer special powers on some directors for the joint evaluation of the strategy to be implemented by Atlantia in the call for tenders, in order to keep sensitive information confidential and prevent potential conflicts of interest. On 7 April 2006, the Board of Directors made this solution permanent by setting up the Executive Committee and assigning it a series of powers solely regarding transactions to be carried out overseas. The Executive Committee consists of five directors elected on 28 April 2009: the Chairman, the Chief Executive Officer and members by right, Alberto Bombassei, Stefano Cao and Giuseppe Piaggio.

### ***Human Resources Committee***

The Human Resources Committee submits proposals to the Board of Directors, in the absence of the directly interested parties, regarding the overall remuneration of the Chairman, the Chief Executive Officer and Atlantia's executive directors. At the proposal of the Chief Executive Officer, the committee also determines the criteria for establishing the remuneration of the Group's senior management, and, based on information from the Chief Executive Officer, examines (i) any share or cash incentive plans for employees of the Group, (ii) the criteria for establishing the composition of the boards of directors of strategically important subsidiaries, (iii) and strategic staff development policies. The members of the Human Resources Committee were elected on 28 April 2009 and consist of five directors, including Stefano Cao and Giuseppe Piaggio, and the independent directors Alberto Bombassei, Alberto Clò and Francesco Paolo Mattioli.

### ***Internal Control and Corporate Governance Committee***

The Internal Control and Corporate Governance Committee advises, makes recommendations and generally assists in verifying the functionality of the internal control system. Current members of the committee were elected on 28 April 2009 and include the non-executive director, Giuseppe Piaggio and the independent directors Giuliano Mari and Antonino Turicchi. The Chairman of the Board of Statutory Auditors (or another serving auditor, at his request) also takes part in the work of the committee. Depending on the issues to be dealt with, the Chairman of the Board of Directors, the Chief Executive Officer, serving auditors, and the heads of Internal Auditing and Risk Management may be invited to take part.

### ***Supervisory Board***

Atlantia's Supervisory Board was established in implementation of the provisions of Legislative Decree No. 231/01 (and subsequent amendments, in particular those introduced by Legislative Decree No. 61/02) with the task of defining an organisation, management and control model for all the companies of the Group, in order to

notify Atlantia’s responsibility with regard to unlawful administrative actions. The Supervisory Board is chaired by Renato Granata, Emeritus Chairman of the Constitutional Court and the First Honorary Adjunct Chairman of the Supreme Court and consists of the Head of Legal Affairs, Pietro Fratta, and Head of Internal Auditing Simone Bontempo.

## Senior Management

The principal executive officers of Atlantia and Autostrade Italia are as follows:

<u>Name</u>	<u>Title</u>	<u>Age</u>
Gian Maria Gros-Pietro <sup>(1)</sup> .....	Chairman of Atlantia and Autostrade Italia	67
Giovanni Castellucci <sup>(1)</sup> .....	Chief Executive Officer of Atlantia and Autostrade Italia	50
Giancarlo Guenzi .....	Chief Financial Officer of Atlantia	54
Massimo Sonogo .....	Head of Corporate Finance and Investor Relations of Atlantia	36
Umberto Vallarino .....	Head of Finance of Autostrade Italia	46
Gianpiero Giacardi .....	Head of Human Resources, Organizational Development and Information Technologies of Autostrade Italia	51
Pietro Fratta .....	Head of Legal Department of Autostrade Italia	63
Lorenzo Lo Presti .....	Head of Customer Service of Autostrade Italia	55
Roberto Mengucci .....	Head of Foreign Operations of Autostrade Italia	48
Riccardo Mollo .....	Head of Technical Services of Autostrade Italia	50
Gennarino Tozzi .....	Head of Network Development of Autostrade Italia	54

<sup>(1)</sup> For biographical information see “— Board of Directors”.

**Giancarlo Guenzi.** Giancarlo Guenzi received a degree in business economics from the University of Rome in 1979 and he is a certified public accountant and auditor. He has worked for the Group since 1994, most recently as Chief Executive Officer and General Manager of Pavimental, and has been the Chief Financial Officer of Atlantia since November 2007. After completing a significant professional experience in KPMG and Italstat Group, Mr. Guenzi was head of Planning and Control of the Group for several years. Mr. Guenzi is also on the board of directors of Autostrade Sud America, S.p.A., Emittenti Titoli S.p.A. and Impregilo S.p.A.

**Massimo Sonogo.** Massimo Sonogo has a degree in business economics from Milan’s Bocconi University and completed a Program in International Management at Montreal’s McGill University. He worked at Morgan Stanley, Citigroup and Edizione before joining Atlantia in 2002.

**Umberto Vallarino.** Umberto Vallarino graduated with a degree in economics from the University of Pisa in 1987. Before joining Autostrade Italia in 2005 he worked at Fiat Auto S.p.A., Fininvest S.p.A. and Gruppo Merloni Elettrodomestici. Mr. Vallarino is also the chairman of Autostrade International U.S. Holding Inc., vice chairman of Autostrade International of Virginia and member of the boards of directors of Newpass S.p.A. and Costanera Norte S.A.

**Gianpiero Giacardi.** Gianpiero Giacardi graduated with a degree in law from the University of Turin in 1981. He joined Atlantia in 2000 as Corporate Development Director and has been the Manager of Group Resources, Organizational Development and Quality for Atlantia and Autostrade Italia since July 2003. He is also the general manager of EssediEsse and serves as a member of several internal committees, including committees for the coordination of operations, management, quality control and information systems. Mr. Giacardi is a member of the board of directors of Mont Blanc Tunnel, SAM, SAT and Cosis S.p.A.. Prior to joining the Group, Mr. Giacardi was responsible for the franchising for Grimaldi S.p.A. and served as a manager of industrial relations and personnel for Fiorentina Gas and a union relations manager and subsequently human resources and quality control processes manager and information systems manager for Italgas S.p.A.

**Pietro Fratta.** Pietro Fratta graduated with a degree in law from the University of Milan in 1972. Mr. Fratta joined the Group in April 2001 and, since July 2003, he has served as the head of the legal department of Atlantia and Autostrade Italia. He also serves as a member of the board of directors of Mont Blanc Tunnel. Prior to joining the Group, Mr. Fratta served as the head of the legal department of GEPI S.p.A., as a member of the special commission established by the Ministry of Finance for the evaluation of the state owned assets to be transferred to Ente Tabacchi Italiano and, subsequently, as head of the legal department of Ente Tabacchi Italiano. Mr. Fratta is also on the board of directors of Mont Blanc Tunnel.

**Lorenzo Lo Presti.** Lorenzo Lo Presti received a degree in Electronic Engineering from the University of Padua in 1978. He worked at Agip, Big Bon Distribuzione S.p.A. and Fini Fast S.p.A. before joining Autostrade Italia in 2001. Mr. Lo Presti is also chairman of Telepass S.p.A. and member of the board of directors of AD Moving S.p.A.

**Roberto Mengucci.** Roberto Mengucci has a degree in Mechanical Engineering from the University “La Sapienza” of Rome. He worked at Italsiel S.p.A., Enel S.p.A., Telecom Italia Group and Finmeccanica S.p.A. before joining Autostrade Italia in 2008.

**Riccardo Mollo.** Riccardo Mollo received a degree in Mechanical Engineering from the University of Pisa in 1985. Before joining Autostrade Italia in 2006, he worked at Snamprogetti S.p.A. and Technip Italy S.p.A.

**Gennarino Tozzi.** Gennarino Tozzi graduated with a degree in Civil Engineering from the University of Rome in 1980. He worked at Ferrocemento S.p.A., Gambogi Costruzioni S.p.A., and Condotte S.p.A. and was Chief Executive Officer of Todini Costruzioni Generali S.p.A. before joining Autostrade Italia in 2003. Mr. Tozzi is also on the board of directors of SPEA and Società Infrastrutture Toscane S.p.A.

### **Board of Statutory Auditors**

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

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

<u>Name</u>	<u>Title</u>	<u>Age</u>
Marco Spadacini.....	Chairman <sup>(1)</sup>	71
Tommaso Di Tanno.....	Auditor	60
Raffaello Lupi.....	Auditor	53
Angelo Miglietta.....	Auditor <sup>(1)</sup>	48
Alessandro Trotter.....	Auditor	69
Giuseppe Maria Cipolla.....	Alternate Auditor	45
Giandomenico Genta.....	Alternate Auditor <sup>(1)</sup>	52

<sup>(1)</sup> The auditor has been elected to represent minority shareholders.

Members of the Board of Statutory Auditors are elected by the shareholders for a three-year term and may be re-elected. Members of the Board of Statutory Auditors may be removed only for just cause and with the approval of an Italian court. The term of office of the present members of the Board of Statutory Auditors, who were appointed on 23 April 2009, is scheduled to expire at the 2011 shareholders’ meeting called for the purpose of approving Atlantia’s financial statements for the year ending 31 December 2011.

As at 30 June 2009, the Group had no outstanding loans to members of the Board of Statutory Auditors.

### **Conflicts of Interest**

Except as disclosed in “Certain Relationships and Related Party Transactions,” as at the date hereof, the above mentioned members of the Board of Directors and the principal officers of the Issuer do not have any potential conflicts of interests between duties to the Issuer and their private interests or other duties.

## SHAREHOLDERS

As at the date of this Offering Circular, Sintonia was the controlling shareholder of Atlantia, holding 38.06% of the capital stock of Atlantia, of which 8.00% is directly owned and 30.06% is indirectly owned through its 100% ownership of Schemaventotto. Sintonia is indirectly controlled by Edizione, which is indirectly controlled by members of the Benetton family.

Until June 2008, 50.1% of Atlantia's capital stock was owned by Schemaventotto, a company wholly-owned by a consortium formed by Sintonia, Assicurazioni Generali S.p.A., UniCredit S.p.A., Abertis and Fondazione Cassa di Risparmio di Torino. All the Schemaventotto shareholders were parties to a Shareholders' Agreement. As a result of the termination of the Shareholders' Agreement on 25 June 2008, each of these shareholders took direct stakes in Atlantia, with the exception of Sintonia which still holds 30.06% of Atlantia through Schemaventotto.

The following table shows all shareholders of Atlantia holding greater than 2.00% of the capital stock, based on publicly available filings.

<b>Shareholder</b>	<b>Ownership Interest</b>
Sintonia (and, indirectly, Edizione S.r.l.) .....	38.06%
Fondazione Cassa di Risparmio di Torino <sup>(1)</sup> .....	6.68%
Abertis Infraestructuras S.A. <sup>(1)</sup> .....	6.68%
UBS AG <sup>(1)</sup> .....	4.08%
Assicurazioni Generali S.p.A. <sup>(1)</sup> .....	3.35%
Aabar Investments PJSC <sup>(1)</sup> .....	3.34%
Atlantia S.p.A. <sup>(2)</sup> .....	2.01%
Free Float.....	35.80%
<b>Total</b> .....	<b>100.00%</b>

<sup>(1)</sup> Source: CONSOB at 12 October 2009.

<sup>(2)</sup> As at the date hereof, Atlantia held 11,476,616 treasury shares, or 2.01% of the share capital, which were purchased at an average price of €18.79 per share, for a total purchase price of €215.6 million.

For a description of related party transactions with certain other shareholders, see "Certain Relationships and Related Party Transactions".



## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

As part of the Group's business activities, Group companies often provide goods and services to each other, as more fully described in the respective financial statements and the Group's consolidated financial statements. Since 1 January 2005, material transactions between the Issuer and related parties include the following:

Edizione controls Sintonia and controls Autogrill, one of the principal subcontractors of the Group. As a result of the relationship between Edizione and Atlantia, the Italian Anti-Trust Authority has from time to time examined the business activities and relationships connected with Autostrade Italia's subcontracting business. See "Regulatory — The Concessions — Subcontracts".

In connection with the Anti-Trust Decision, Autostrade Italia entered into an indemnification agreement with Edizione pursuant to which it agreed to indemnify Edizione for certain liabilities which could be incurred by Edizione as a result of non-compliance by Autostrade Italia with the Anti-Trust Decision, excluding liabilities incurred as a result of the gross negligence or wilful misconduct of Edizione. Although Autostrade Italia believes it is in full compliance with the Anti-Trust Decision, there can be no assurance that it will not be required to indemnify Edizione in the future. See "Regulatory — The Concessions — Subcontracts" and "Risk Factors — Risks Relating to the Business of the Group".

As at 30 June 2009, Autogrill has been granted 140 Subcontracts for food and beverage and mini-market services on the service areas located on the Italian Group Network. See "Business Description of the Group — Business of the Group — Service Areas".

As described herein, members of the boards of the Issuer and the Guarantor have certain relationships with Edizione, Sintonia, Schemaventotto and Autogrill and with Fondazione Cassa di Risparmio di Torino, a shareholder of the Issuer. See "Shareholders". Gilberto Benetton (a current director of the Issuer) serves as chairman of the boards of directors of Edizione and Autogrill and is one of the indirect shareholders of Edizione. Valerio Bellamoli (a current director of the Guarantor) is Chief Operating Officer of Sintonia and Chief Executive Officer of Schemaventotto. Alessandro Bertani (a current director of the Issuer) is a member of the boards of directors of Sintonia and Schemaventotto. Stefano Cao (a current director of the Guarantor and the Issuer) is Chief Executive Officer of Sintonia. Antonio Fassone (a current director of the Issuer) is a member of the boards of directors of Fondazione Cassa di Risparmio di Torino. Gianni Mion (a current director of the Issuer) is Chief Executive Officer of Edizione and is a member of the board of directors of Sintonia and Autogrill. Giuseppe Piaggio (a current director of the Guarantor and the Issuer) is the chairman of Schemaventotto and is a member of the board of directors of Fondazione Cassa di Risparmio di Torino.

In 2008, Atlantia obtained general liability insurance policies from Assicurazioni Generali Group, a shareholder. See "Shareholders". Atlantia paid approximately €2.5 million in premiums for such policies.

Roberto Cera (a current director of the Issuer) and Roberto Pistorelli (a current director of the Guarantor) are partners of Bonelli Erere Pappalardo, a law firm that provides services to the Group.

## FORMS OF THE NOTES

The Notes of each Series will either be in bearer form (“Bearer Notes”), with or without interest coupons attached, or in registered form (“Registered Notes”), without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on Regulation S or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

### **Bearer Notes**

Each Tranche of Notes will initially be in the form of either a Temporary Global Note, without interest coupons, or a Permanent Global Note, without interest coupons, in each case as specified in the applicable Final Terms. Each Global Note which is not intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear and/or 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 applicable 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.

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 “Eurosysteem”), 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 at 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 Eurosysteem operations if the NGN form is used.

In respect of the Notes in bearer form, the applicable Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “TEFRA D Rules”) are applicable in relation to the Notes.

### ***Temporary Global Note exchangeable for Permanent Global Note***

If the applicable Final Terms specify 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 without interest coupons, interests in 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.

### ***Temporary Global Note exchangeable for Definitive Notes***

If the applicable Final Terms specify 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 nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in 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 applicable Final Terms specify 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, without Coupons, interests in 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 applicable 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 60 days of the bearer requesting such exchange.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts whether in global or definitive form.

### ***Permanent Global Note exchangeable for Definitive Notes***

If the applicable Final Terms specify 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, without Coupons, interests in 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 applicable Final Terms; or
- (ii) at any time, if so specified in the applicable Final Terms; or
- (iii) if the applicable Final Terms specify “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 10 of the Terms and Conditions of the Notes occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of €50,000 and integral multiples of €1,000 in excess thereof, provided that such denominations are not less than €50,000 nor more than €99,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

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 applicable 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 60 days of the bearer

requesting such exchange. Where the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 17 of the Terms and Conditions of the Notes.

### ***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 applicable Final Terms which supplement, amend and/or replace those terms and conditions.

### **Registered Notes**

Each Tranche of Registered Notes will initially be represented by a global note in registered form (“Regulation S Global Notes”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person, save as otherwise provided in Condition 2 of the Terms and Conditions of the Notes, and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1 of the Terms and Conditions of the Notes) as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b) of the Terms and Conditions of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (1) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available, or (2) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 of the Terms and Conditions of the Notes which would not be required were the Registered Notes represented by the Registered Global Note in definitive form or (3) such other event as may be specified in the applicable Final Terms. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 of the Terms and Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 15 days after the date on which the relevant notice is received by the Registrar.

## **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions”.

## **General**

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of the Terms and Conditions of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) on and subject to the terms of the relevant Global Note.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

## **Redemption at the Option of the Issuer**

For so long as any Bearer Notes are represented by Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required under Condition 6(f) of the Terms and Conditions of the Notes at the option of the Issuer in the event that the Issuer exercises its option pursuant such Condition 6(f) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “Issue Date”), the “Trust Deed”) dated 22 October 2009 between Atlantia S.p.A. (“Atlantia” or the “Issuer”), Autostrade per l’Italia S.p.A. (“Autostrade Italia” or the “Guarantor”), and BNY Corporate Trustee Services Limited (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 22 October 2009 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar) and the “Calculation Agent(s)”.

The payment of all amounts in respect of the Notes will be guaranteed by Autostrade Italia pursuant to the terms of the guarantee (the “Guarantee”) contained in the Trust Deed.

Copies of, inter alia, the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal office of the Trustee (presently at One Canada Square, E14 5AL London, United Kingdom) and at the specified office of each of the Issuing and Paying Agent, the Registrar and any other Paying Agents and Transfer Agents (such Paying Agents and the Transfer Agents being together referred to as the “Agents”). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents save that, if this Note is an unlisted Note, the Final Terms will only be obtainable by a Noteholder holding one of more unlisted Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and of the Noteholder’s identity.

The Noteholders, the holders of the interest coupons (the “Coupons”) relating to interest bearing Bearer Notes and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Bearer Notes of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### **1. Form, Denomination and Title**

The Notes are issued in bearer form (“Bearer Notes”), or in registered form (“Registered Notes”) in each case in the Specified Denomination(s) as specified in the applicable Final Terms, or “hereon”.

All Registered Notes shall have the same Specified Denomination.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, or Partly Paid Notes (to the extent permissible under applicable law), a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2. Transfers of Registered Notes**

### **(a) *Transfer of Registered Notes***

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### **(b) *Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of any redemption of the Notes at the option of the Issuer or Noteholders in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### **(c) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case

may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(f), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

**3. Guarantee and Status**

(a) *Guarantee*

Autostrade Italia has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Atlantia under the Trust Deed, the Notes, the Receipts and the Coupons pursuant to the Guarantee.

(b) *Status of Guarantee*

The Guarantee shall constitute a direct, unsecured obligation of Autostrade Italia ranking at least *pari passu* with all senior unsecured and unsubordinated obligations of Autostrade Italia, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(c) *Status of Notes*

The Notes constitute “*obbligazioni*” pursuant to Article 2410 et seq. of the Italian Civil Code. The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4(a)) unsecured obligations of Atlantia and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all senior, unsecured and unsubordinated obligations of Atlantia, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(d) *Limitation*

To the extent the Guarantor is incorporated in the Republic of Italy and to the extent such is a requirement of the applicable law in force at the relevant time, the Guarantor shall only be liable up to an amount which is the aggregate of 120% of the aggregate principal amount of any Tranche of the Notes which may be issued under the Trust Deed (in each case as specified in the applicable Final Terms) and 120% of the interest on such Notes accrued but not paid as at any date on which the Guarantor’s liability under the Trust Deed falls to be determined (the “Maximum Amount”). The Maximum Amount shall be reduced by the amount of any payments of principal made by the Issuer under the Notes provided that any such reduction will occur on the day falling two years after the day on which the relevant payment was made by the Issuer.



#### 4. Negative Pledge

(a) *Negative Pledge*

So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Trust Deed) neither the Issuer nor the Guarantor nor any of their respective Material Subsidiaries shall create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“Security”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt, except for Permitted Encumbrances (as defined below) unless, at the same time or prior thereto, the Issuer’s obligations under the Notes, Receipts, Coupons and the Trust Deed or, as the case may be, the Guarantor’s obligations under the Guarantee (A) are secured equally and rateably therewith to the satisfaction of the Trustee or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, in each case to the satisfaction of the Trustee or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by a Resolution (as defined in the Trust Deed) of the Noteholders.

(b) *Definitions*

In these Conditions:

“ANAS” means ANAS S.p.A., with offices in Rome, Via Monzambano 10;

“Autostrade Italia Concession” means the legal concession granted by ANAS to Autostrade Italia pursuant to the Roadway Regulations, to construct and commercially to operate part of the toll highway infrastructure in Italy under terms and conditions provided under the Single Concession Contract;

“Concession” means the Autostrade Italia Concession;

“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;

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

“Group” means Atlantia and its Subsidiaries from time to time;

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

“Material Subsidiary” means any member of the Group which accounts for more than 10% of the Consolidated Assets or Consolidated Revenues of the Group;

“Permitted Encumbrance” means:

- (a) any lien arising by operation of law;
- (b) any Security in existence on the Issue Date of the Notes;
- (c) in the case of any entity which becomes a Subsidiary of any member of the Group after the Issue Date of the Notes, any Security securing Relevant Debt existing over its assets at the time it becomes such a Subsidiary provided that the Security was not created in contemplation

of or in connection with it becoming a Subsidiary and the amounts secured have not been increased in contemplation of or in connection with such acquisitions;

- (d) any Security securing Project Finance Indebtedness and ancillary obligations in connection with the relevant Project, including but not limited to: (i) any Security created over any shares in, receivables of, contracts of, bank accounts of or other assets of a Project Company securing Project Finance Indebtedness and ancillary obligations in connection with the relevant Project; (ii) any guarantee, loan, indemnity or other commitment granted, assumed and/or issued by Atlantia or any of its Subsidiaries in connection with the relevant Project until the Project Completion Date;
- (e) any Security created over receivables, contracts, bank accounts or other assets of Atlantia (excluding shares in Autostrade Italia) securing Project Finance Indebtedness;
- (f) any Security created in connection with convertible bonds or notes where the Security is created over the assets into which the convertible bonds or notes may be converted and secures only the obligations of the Issuer, the Guarantor or any relevant Material Subsidiary, as the case may be, to effect the conversion of the bonds or notes into such assets;
- (g) any Security securing Relevant Debt created in substitution of any Security permitted under paragraphs (a) to (f) above over the same or substituted assets provided that (1) the principal amount secured by the substitute security does not exceed the principal amount outstanding and secured by the initial Security and (2) in the case of substituted assets, the market value of the substituted assets as at the time of substitution does not exceed the market value of the assets replaced, as determined and confirmed in writing to the Trustee by the Issuer acting reasonably; and
- (h) any Security other than Security permitted under paragraphs (a) to (g) above directly or indirectly securing Relevant Debt, where the principal amount of such Relevant Debt (taken on the date such Relevant Debt is incurred) which is secured or is otherwise directly or indirectly preferred to other general unsecured financial indebtedness of the Issuer, the Guarantor or their respective Material Subsidiaries, does not exceed in aggregate 10% of the total net shareholders' equity of Atlantia (as disclosed in the most recent annual audited and unaudited semi-annual consolidated balance sheet of Atlantia);

“Project” means the ownership, development, design, construction, operation and maintenance of roads or ancillary infrastructure or subscription of equity or shareholder loans by shareholders of the entity promoting such project;

“Project Company” means any company in which Atlantia or any of its Subsidiaries has an equity interest whose sole and exclusive activity is or will be the promotion of a Project;

“Project Completion Date” means in relation to any Project the date on which the business relating to such Project has been put into operation and the relevant security package relating to such Project has been perfected and formalised;

“Project Finance Indebtedness” means in respect of any Project Company, secured or unsecured financial indebtedness of a Project Company in relation to a Project, none of which retains the benefit (by operation of law or otherwise) of any loan, guarantee, bond, security indemnity or other commitment from another member of the Group (other than security granted to third party lenders over receivables, contracts, bank accounts, shares in, or other assets of such Project Company and any guarantees, loans, indemnities or other commitments granted, assumed and/or issued by the Issuer or any of its Subsidiaries until the Project Completion Date solely to secure that financial indebtedness and any other ancillary obligations in connection with the relevant Project), to assure the repayment of, or indemnify the third party lenders against any loss in respect of any non-payment of, that financial indebtedness;

“Relevant Debt” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, or other securities that are for the time being, or are intended to be, quoted, listed or

ordinarily dealt in on any stock exchange or any other securities market (including any over-the-counter market);

“Roadway Regulations” means the regulatory framework for the granting by ANAS to third parties of the concessions to construct and commercially operate part of the toll highway infrastructure in Italy (including, but not limited, to laws No. 462/1955; No. 729/1961; No. 385/1968; No. 531/1982; No. 498/1992; No. 537/1993; No. 286/2006; No. 296/2006; No. 101/2008 and CIPE Directive 39/2007);

“Single Concession Contract” means the concession agreement entered into on 12 October 2007 between Autostrade Italia and ANAS which governs the Autostrade Italia Concession, as approved by Law No. 101/2008; and

“Subsidiary” means, in respect of any Entity at any particular time, any company or corporation in which:

- (a) the majority of the votes capable of being voted in an ordinary shareholders’ meeting is held, directly or indirectly, by the Entity; or
- (b) the Entity holds, directly or indirectly, a sufficient number of votes to give the Entity a dominant influence (*influenza dominante*) in an ordinary shareholders’ meeting of such company or corporation,

as provided by Article 2359, paragraph 1, No. 1 and 2, of the Italian Civil Code.

## **5. Interest and other Calculations**

### **(a) *Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon. The amount of interest payable in respect of each Fixed Rate Note for any period for which no Fixed Coupon Amount or Broken Amount is specified shall be calculated in accordance with Condition 5(f) below.

### **(b) *Interest on Floating Rate Notes and Index Linked Interest Notes***

#### **(i) *Interest Payment Dates***

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

#### **(ii) *Business Day Convention***

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it

not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant

Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) *Zero Coupon Notes*

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Zero Coupon Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(c)(i)).

(d) *Partly Paid Notes*

In the case of Partly Paid Notes issued in accordance with applicable law (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(e) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(f) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding*

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of

(y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then (subject to Condition 6(a)) any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(g) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods. Where the Specified Denomination of a Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(h) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(j) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a currency and/or one or more Business Centres (specified hereon) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Note Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the

Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

- (vi) if “Actual/Actual-ISMA” is specified hereon:
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as amended and/or supplemented from time to time), unless otherwise specified hereon.



“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters EURIBOR 01 (“Reuters”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and for the purpose of this definition “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels time.

“Representative Amount” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

(k) *Calculation Agent and Reference Banks*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the

Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **6. Redemption, Purchase and Options**

### **(a) Redemption Amount**

The Notes are *obbligazioni* pursuant to Article 2410, et seq. of the Italian Civil Code and, accordingly, the Redemption Amount of each Note shall not be less than its nominal amount. For the purposes of this Condition 6(a), “Redemption Amount” means, as the case may be, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the sum of all Instalment Amounts.

### **(b) Redemption by Instalments and Final Redemption**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to the Issuer’s or any Noteholder’s option in accordance with Condition 6(f) or 6(g), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Issuer’s or any Noteholder’s option in accordance with Condition 6(f) or 6(g), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### **(c) Early Redemption**

#### **(i) Zero Coupon Notes:**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(d) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(d) or upon it becoming due and payable as

provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(d) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(d) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(c) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of (1) Italy or (2) the jurisdiction of incorporation of any successor to the Issuer or the Guarantor following a Permitted Reorganisation (as defined in Condition 10), 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, which change or amendment becomes effective on or after the Issue Date (or the date that any successor to the Issuer or the Guarantor following a Permitted Reorganisation assumes the obligations of the Issuer or the Guarantor hereunder), and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on all Noteholders and Couponholders.

(e) *Redemption at the Option of Noteholders on the Occurrence of a Put Event*

If, at any time while any of the Notes remains outstanding (as defined in the Trust Deed), a Put Event (as defined below) occurs, then, unless at any time the Issuer shall have given a notice under Condition 6(d) in respect of the Notes, in each case expiring prior to the Put Date (as defined below), each Noteholder will, upon the giving of a Put Event Notice (as defined below), have the option to require the Issuer to redeem any Notes it holds on the Put Date at their principal amount, together with interest accrued up to, but excluding, the Put Date.

A "Put Event" occurs if

- (i) the Autostrade Italia Concession or the Single Concession Contract is terminated or revoked in accordance with its terms or for public interest reasons; or

- (ii) a ministerial decree has been enacted granting to another person the Autostrade Italia Concession; or
- (iii) it becomes unlawful for Autostrade Italia to perform any of the material terms of the Autostrade Italia Concession; or
- (iv) the Autostrade Italia Concession is declared by the competent authority to cease before the Maturity Date (as defined in the applicable Final Terms); or
- (v) the Autostrade Italia Concession ceases to be held by Autostrade Italia or any successor resulting from a Permitted Reorganisation; or
- (vi) the Autostrade Italia Concession is amended in a way which has a Material Adverse Effect (as defined in Condition 10 below).

Promptly upon becoming aware that a Put Event has occurred, and in any event not later than 21 days after the occurrence of the Put Event, the Issuer or the Guarantor shall give notice (a “Put Event Notice”) to the Noteholders in accordance with Condition 17, specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(e).

To exercise the option to require the Issuer to redeem a Note under this Condition 6(e), the Noteholder must deliver such Note at the specified office of any Paying Agent, on any day which is a day on which banks are open for business in London and in the place of the specified office falling within the period (the “Put Period”) of 45 days after the date on which a Put Event Notice is given, accompanied by a duly signed and completed Exercise Notice in the form available from each office of the Paying Agents (the “Exercise Notice”). The Note must be delivered to the Paying Agent together with all Coupons, if any, appertaining thereto maturing after the date (the “Put Date”) being the seventh day after the date of expiry of the Put Period, failing which deduction in respect of such missing unmatured Coupons shall be made in accordance with Condition 7(f). The Paying Agent to which such Note and Exercise Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a “Put Option Receipt”) in respect of the Note so delivered. Payment by the Issuer in respect of any Note so delivered shall be made, if the holder duly specified in the Exercise Notice a bank account to which payment is to be made, by transfer to that bank account on the Put Date, and in every other case, on or after the Put Date against presentation and surrender of such Put Option Receipt at the specified office of any Paying Agent. An Exercise Notice, once given, shall be irrevocable. For the purposes of these Conditions and the Trust Deed, Put Option Receipts issued pursuant to this Condition 6(e) shall be treated as if they were Notes.

(f) *Redemption at the Option of the Issuer and Exercise of Issuer’s Options*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) and, on giving not less than 15 days irrevocable notice before the giving of the notice to the Noteholders, to the Issuing and Paying Agent and the Trustee and, in the case of a redemption of Registered Notes, the Registrar, redeem, or exercise any Issuer’s option (as may be described hereon) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer’s option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of the Issuer’s option, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes, shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So

long as the Notes are listed on the Irish Stock Exchange or any other stock exchange and the rules of the relevant stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published on the Irish Stock Exchange's website, www.ise.ie, or in a leading newspaper of general circulation as specified by such other stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

Unless the Issuer defaults in payment of the redemption price, from and including any Optional Redemption Date interest will cease to accrue on the Notes called for redemption pursuant to this Condition 6(f).

(g) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) *Notice of Early or Optional Redemption*

The Issuer will publish a notice of any early redemption or optional redemption of the Notes described above in accordance with Condition 17, and, if the Notes are listed at such time on the Irish Stock Exchange, the Issuer will publish such notice on the Irish Stock Exchange's website, www.ise.ie.

(i) *Partly Paid Notes*

Partly Paid Notes to the extent issued in accordance with applicable law will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(j) *Purchases*

The Issuer, the Guarantor and any of their Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(k) *Cancellation*

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Obligors in respect of any such Notes shall be discharged. Any Notes not so surrendered for cancellation may be reissued or resold.

## **7. Payments and Talons**

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) *Registered Notes*

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date") and made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(i) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the Record Date. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) *Payments subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and (subject to the provisions of the Agency Agreement) the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities so long as the Notes are listed on the Irish Stock Exchange, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) a Paying Agent with a specified office in a Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 8. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within either Italy (or any jurisdiction of incorporation of any successor of the Issuer or Guarantor) or any authority therein or thereof having power to tax (each a “Relevant Taxing Jurisdiction”), unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:

- (a) by or on behalf of a Noteholder or Couponholder who:
  - (i) would have been entitled to avoid such deduction or withholding (x) by making a declaration of non-residence or other similar claim for exemption or (y) by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union and did not do so within the prescribed time period and/or in the prescribed manner; or
  - (ii) is liable to such taxes or duties, assessments or governmental charges in respect of such Notes, Receipts or Coupons by reason of his having some connection with a Relevant Taxing Jurisdiction, other than the mere holding of the Note, Receipt or Coupon; or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day; or
- (c) in relation to any payment or deduction on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended from time to time, and related regulations which have been or may be enacted; or
- (d) where such withholding or deduction is required pursuant to Italian Presidential Decree No. 600 of 29 September 1973, as amended from time to time; or
- (e) where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted into Law No. 649 of 25 November 1983, as amended from time to time; or
- (f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used in these Conditions, “Relevant Date” in respect of any Note (or relative Certificate), Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 9. Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10



years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10. Events of Default

If any of the following events (“Events of Default”) occurs and is continuing the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by a Resolution shall, give notice to the Issuer and the Guarantor that the Notes are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

- (a) *Non-Payment:* the Issuer fails to pay the principal or interest on any of the Notes when due and such failure continues for a period of 5 days (in the case of principal) and 5 days (in the case of interest); or
- (b) *Breach of Other Obligations:* the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 60 days after notice of such default shall have been given to the Issuer and the Guarantor by the Trustee; or
- (c) *Cross-Default:* (i) any other present or future Indebtedness (other than Project Finance Indebtedness incurred solely by the relevant Project Company or in respect of which the non-payment by any other member of the Group is being contested in good faith) of the Issuer or the Guarantor or any of their respective Material Subsidiaries becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (ii) any such Indebtedness (other than Project Finance Indebtedness incurred solely by the relevant Project Company or in respect of which the non-payment by any other member of the Group is being contested in good faith) is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or the Guarantor or any of their respective Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than Project Finance Indebtedness incurred solely by the relevant Project Company or in respect of which the non-payment by any other member of the Group is being contested in good faith) provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €50,000,000 in aggregate principal amount or its equivalent (as reasonably determined by an investment bank of international repute nominated or approved by the Trustee on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates which determination shall be binding on all parties); or
- (d) *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer or the Guarantor or any of their respective Material Subsidiaries taken as a whole (other than in relation to property, assets, receivables or revenues of any Project Company subject to a security interest to secure Project Finance Indebtedness and other ancillary obligations in connection with the relevant Project; and is not discharged or stayed within 180 days); or
- (e) *Unsatisfied judgment:* one or more judgment(s) or order(s) (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) for the payment of any amount in excess of €50,000,000 or its equivalent (as reasonably determined by the Trustee) (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates), whether individually or in aggregate, is rendered against the Issuer or the Guarantor or any of their respective Material Subsidiaries, becomes enforceable in a jurisdiction where the Issuer or the Guarantor or any of their respective Material Subsidiaries is incorporated 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
- (f) *Security Enforced:* any mortgage, charge, pledge, lien or other encumbrance (other than any mortgage, charge, pledge, lien or other encumbrance of a Project Company securing Project Finance Indebtedness and other ancillary obligations in connection with the relevant Project), present or future, created or assumed on or against all or a material part of the property, assets or revenues of the Issuer or the Guarantor or any of their respective 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

- (g) *Insolvency*: The Issuer or the Guarantor being declared insolvent pursuant to Section 5 of the Royal Decree No. 267 of 1942, as subsequently amended, or, in case the Issuer or the Guarantor is not organised in the Republic of Italy, being declared unable to pay its debts as they fall due; or
- (h) *Insolvency Proceedings*: any corporate action or legal proceedings is taken in relation to:
  - (i) the several suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or the Guarantor (other than a solvent liquidation or pursuant to a Permitted Reorganisation of such persons); or
  - (ii) a composition, assignment or arrangement with all creditors of either of the Issuer or the Guarantor including without limitation *concordato preventivo, concordato fallimentare*; or
  - (iii) the bankruptcy, the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or the Guarantor, or any of the assets of the Issuer or the Guarantor in connection with any insolvency proceedings, including without limitation *amministrazione straordinaria, amministrazione straordinaria delle grandi imprese in stato di insolvenza, liquidazione coatta amministrativa*; or
  - (iv) any analogous procedure is taken in any jurisdiction in respect of the Issuer or the Guarantorprovided that any such corporate action or legal proceedings which is not initiated, approved or consented to by the Issuer or the Guarantor, as the case may be, is not discharged or stayed within 180 days; or
- (i) *Nationalisation*: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation (each a “Nationalisation Event”) of all or a majority of the shares, or all or (in the opinion of the Trustee) any material part of the assets, of (i) the Issuer (ii) the Guarantor, or (iii) any Material Subsidiary if the relevant Nationalisation Event has a Material Adverse Effect; or
- (j) *Ownership*: Autostrade Italia ceases to be directly or indirectly controlled by Atlantia or any successor resulting from a Permitted Reorganisation; or
- (k) *Guarantee*: the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time needed in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of each of England and Italy is not taken, fulfilled or done; or
- (m) *Illegality*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed ; or
- (n) *Change of Business*: Autostrade Italia or any successor resulting from a Permitted Reorganisation ceases to carry on the whole or substantially the whole of the business Autostrade Italia carries on at the date of the Trust Deed (which is or predominately is the ownership, operation and management, on a concession basis, of Italian toll motorways); or
- (o) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to sub-paragraphs (d), (e), (f) or (g) above, provided that in the case of paragraph (b), (l) and (m) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

For the purposes of these Conditions:

“Indebtedness” means any indebtedness of any person for moneys borrowed or raised.

“Material Adverse Effect” means a material adverse effect on or material adverse change in:

- (a) the net worth, assets or business of the Issuer, the Guarantor or any Material Subsidiary or the consolidated net worth, assets or business of the Group taken as a whole from that shown in the most recently published financial statements of the relevant members of the Group;
- (b) the ability of the Issuer or the Guarantor to perform and comply with its payment obligations or other material obligations under the Trust Deed or the Notes; or
- (c) the validity, legality or enforceability of the Trust Deed or the Notes.

“Permitted Reorganisation” means any reorganisation carried out, without any consent of the Noteholders being required in respect thereof, in any one transaction or series of transactions, by any of the Issuer, the Guarantor and the Material Subsidiaries, by means of:

- (a) any merger, consolidation, amalgamation or de-merger (whether whole or partial); or
- (b) any contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of, all or substantially all, of its assets or its going concern;
- (c) any purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or
- (d) any lease of its assets or its going concern,

provided however that (i) in any such reorganisation affecting the Issuer or the Guarantor any successor corporation shall assume all the obligations under the relevant Notes and the Trust Deed, including, the obligation to pay any additional amounts under Condition 8 and in the case of the Guarantor, the obligations arising out of the Guarantee; and (ii) no Event of Default shall have occurred or if an Event of Default shall have occurred it shall (if capable of remedy) have been cured.

## **11. Meetings of Noteholders, Modification, Waiver and Substitution**

### **(a) *Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Resolution of a modification of any of these Conditions and any provisions of the Trust Deed. Such a meeting may be convened by the directors of the Issuer, the Noteholders’ Representative (as defined below) and, subject to any applicable mandatory provisions of Italian law, the Trustee at any time, and the Issuer or, subject to any applicable mandatory provisions of Italian law, the Trustee at the request of Noteholders holding not less than 5% in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider a Resolution shall be the percentage of the then outstanding Notes set out under Article 2415, third paragraph of the Italian Civil Code. If the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by a Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any

meeting of Noteholders or the majority required to pass the Resolution, (ix) to modify the obligation to pay additional amounts pursuant to Condition 8 or (x) to modify or cancel the Guarantee, then the necessary quorum shall be the percentage of the then outstanding Notes set out under Article 2415, third paragraph of the Italian Civil Code. Any Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.*

(b) *Noteholders' Representative*

Only a representative of Noteholders holding Notes (*rappresentante comune*) (the "Noteholders' Representative") (who may, subject to mandatory provisions of Italian law, be the same legal entity as the Trustee) can be appointed pursuant to Article 2417 of the Italian Civil Code. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the President 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 re-appointed again thereafter.

(c) *Modification of the Trust Deed*

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

(d) *Substitution*

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

(e) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **12. Enforcement**

Subject to mandatory provisions of Italian law, at any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by a Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding and (b) it shall have been indemnified to its satisfaction. Subject to mandatory provisions of Italian law (including, without limitation, to Article 2419 of the Italian Civil Code) no Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor, unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13. Indemnification of the Trustee**

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

## **14. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Ireland (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **15. Trustee Protections**

In connection with the exercise, under these Conditions or the Trust Deed, of its functions, rights, powers, trusts, authorities and discretions (including but not limited to any modification, consent, waiver or authorisation), the Trustee shall have regard to the interests of the Noteholders as a class and will not have regard to the consequences of such exercise for individual Noteholders or Couponholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Trustee shall not be entitled to require from the Issuer or the Guarantor, nor shall any Noteholders or Couponholders be entitled to claim from the Issuer, the Guarantor or the Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Noteholders or Couponholders of any such exercise.

## **16. Further Issues**

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

## **17. Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, so long as the Notes are listed on the Irish Stock Exchange, shall be published on the Irish Stock Exchange's website, www.ise.ie. Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), (ii) in the *Il sole 24 ore* and one further daily newspaper of general circulation in Milan and (iii) so long as the Notes are listed on the Irish Stock Exchange, in a daily newspaper with general circulation in Ireland. If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

## **18. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes, the Receipts, the Coupons and the Talons under the Contracts (Rights of Third Parties) Act 1999.

## **19. Governing Law and Jurisdiction**

### **(a) *Governing Law***

The Trust Deed, the Agency Agreement, the Guarantee, the Notes, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Guarantee, the Notes, the Receipts, the Coupons and the Talons, are governed by, and shall be construed in accordance with, English law save for the mandatory provisions of Italian law relating to the meetings of Noteholders and the Noteholders' Representative.

### **(b) *Jurisdiction***

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee ("Proceedings") may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

### **(c) *Service of Process***

The Issuer and the Guarantor have irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

## FORM OF FINAL TERMS

Final Terms dated •

### ATLANTIA S.P.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by **AUTOSTRADE PER L'ITALIA S.P.A.**

under the **€10,000,000,000**

**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 (the “**Conditions**”) set forth in the Offering Circular dated 22 October 2009 which constitutes a base prospectus (the “**Offering Circular**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) [and the supplemental Offering Circular dated • read in conjunction with the Offering Circular]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the supplemental Offering Circular] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date] [and the supplemental Offering Circular dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the supplemental Offering Circular dated [•]] and are attached hereto.

Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated 22 October 2009 [and the supplemental Offering Circulars dated • and •]. The Offering Circular [and the supplemental Offering Circular] is [are] available for viewing [at [website]] [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 or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive].*

1. (i) Issuer: Atlantia S.p.A.
- (ii) Guarantor: Autostrade per l'Italia S.p.A.
2. [(i) Series Number:] [ ]
- [(ii) Tranche Number:] [ ]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount of Notes: [ ]
- [(i) [Series]:] [ ]
- [(ii) Tranche:] [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: [ ]
- (ii) Calculation Amount: [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]  
(*N.B. Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of 18 months and one day.*)
9. Interest Basis: [• per cent. Fixed Rate]
- [[*Specify* reference rate] +/- • per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (*Specify*)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
- [Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (*Specify*)]



11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
- [(ii)] Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]  
*(N.B. To the extent the Guarantor is incorporated in the Republic of Italy and to the extent such is a requirement of the applicable law in force at the relevant time, the Guarantor shall only be liable up to an amount which is the aggregate of 120% of the aggregate principal amount of any Tranche of the Notes and 120% of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. Such amount shall be reduced by the amount of any payments of principal made by the Issuer under the Notes provided that any such reduction will occur on the day falling two years after the day on which the relevant payment was made by the Issuer.)*
- [(iii)] [Date [Board] approval for issuance of Notes and Guarantee respectively] obtained: [ ] and [ ], respectively  
*(N.B. Only relevant where Board authorisation is required for the particular tranche of Notes or related Guarantee)*
14. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **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/other (*specify*)] 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: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (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)*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate [Not Applicable/*give details*]

Notes:

- 16. Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) [First Interest Payment Date]: [ ]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent): *[[Name] shall be the Calculation Agent (no need to specify if the Issuing and Paying Agent is to perform this function)]*
- (viii) Screen Rate Determination:
- Reference Rate: *[For example, LIBOR or EURIBOR]*
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: *[For example, Reuters LIBOR 01/ EURIBOR 01]*
  - Relevant Time: *[For example, 11.00 a.m. London time/Brussels time]*
  - Relevant Financial Centre: *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- (ix) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (x) Margin(s): [+/-][ ] per cent. per annum
- (xi) Minimum Rate of Interest: [ ] per cent. per annum

- (xii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]

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

- (i) [Amortisation/Accrual] Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]

**18. Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the interest due (if not the Calculation Agent): [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Interest Determination Date(s): [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Interest or calculation period(s): [ ]
- (vii) 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")*

- (viii) Specified Interest Payment Dates: [ ]  
*(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")*
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (x) Additional Business Centre(s): [ ]
- (xi) Minimum Rate/Amount of Interest: [ ] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [ ]

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

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

**20. 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 and method, if any, of calculation of such amount(s): [ ] 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: [ ]

**21. 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 and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

(iii) Notice period: [ ]

**22. Final Redemption Amount of each Note** [ ] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

(i) Index/Formula/variable: [give or annex details]

(ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]

(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]

(iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula [ ]

and/or other variable:

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Payment Date: [ ]
- (vii) Minimum Final Redemption Amount: [ ] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [ ] per Calculation Amount

**23. Early Redemption Amount** [Not Applicable/*give details*]

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**24. Form of Notes:**

**Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/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 Notes issued with a denomination of €50,000 (or equivalent) and integral multiples of €1,000 (or equivalent), the Global Note shall only be exchangeable for Definitive Notes in the limited circumstances of (1) closure of the ICSDs; and (2) default of the Issuer)*

**[Registered Notes]**

25. New Global Note: [Yes] [No]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details.  
*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(v) and 18(x) relate*]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition •] apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition •] apply]
32. Other final terms: [Not Applicable/give details]
- [(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

## DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]

- 34.** If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
- 35.** U.S. Selling Restrictions: [Reg. S Compliance Category [1/2]; TEFRA C/TEFRA D/TEFRA not applicable]
- 36.** Additional selling restrictions: [Not Applicable/*give details*]



## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Irish Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Atlantia S.p.A.

## FURTHER INFORMATION RELATING TO THE ISSUER

The following information relating to the Issuer is provided pursuant to Article 2414 of the Italian Civil Code.

Atlantia S.p.A. is an Italian company with registered office at Via Antonio Nibby 20, 00161 Rome, Italy, registered at the company register in Rome with number 03731380261, REA number: RM-1023691.

The Issuer shall engage in the activities described below:

- (a) the acquisition of shareholdings and interests in other companies and ventures;
- (b) the arrangement of financing for companies and ventures in which the company has an interest, which shall include the provision of indemnities, sureties, guarantees and real security as well as technical, industrial and financial coordination; and
- (c) all types of foreign and Italian portfolio and direct investments in securities and real property.

Ancillary to its principal business, the Issuer may also acquire, directly or indirectly, hold, handle, use, improve and develop trademarks, patents and know-how relating to electronic toll-road systems and all similar or related activities.

For the achievement of its objects, the Issuer may engage in all transactions of a commercial, industrial, financial, investment and real estate nature, including the assumption of debt in the form of loans and advances and the provision of indemnities, sureties, guarantees and real security. The Issuer's objects exclude all those activities involving and transactions with the public and any business of a fiduciary nature. The Issuer's objects also exclude the taking of deposits from the public, extension of credit and other restricted activities pursuant to Art. 106 of Legislative Decree No. 385 of 1 September 1993 and the provision of investment services and collective investment management pursuant to Legislative Decree No. 58 of 24 February 1998 and the related implementation provisions.

At the time of the issuance the share capital is equal to [•] and the reserves and retained earnings are equal to [•].

The issue was approved by resolution of the Issuer's Board of Directors on [•] (registered at the company register in Rome on [•]) and by the Issuer's Managing Director on [•] (registered at the company register on Rome on [•]).

## RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). [Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Atlantia S.p.A.**:

By: .....  
Duly authorised

Signed on behalf of the **Autostrade per l'Italia S.p.A.**:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing Irish Stock Exchange/Other(*specify*)/None]
- (ii) Admission to trading [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Irish Stock Exchange with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Irish Stock Exchange 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: 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.)*

### 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 and Transfer and Selling Restrictions”, 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 Offering Circular under Article 16 of the Prospectus Directive.)]*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer [ ]
- (See [“Use of Proceeds”] wording in the Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons*

here.))]

[(ii)] Estimated net proceeds: [ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: [ ]

[Include breakdown of expenses]

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. [Fixed Rate Notes only – YIELD**

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

**6. [Index-linked or other variable-linked notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

**7. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

**8. 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/ <i>give name(s) and number(s)</i> ]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s):	[ ]
Names and addresses of additional Paying Agent(s) (if any):	[ ]
Intended to be held in a manner which would allow Eurosystem eligibility	[Yes] [No] [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 other times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met] [ <i>Include this text if “yes” selected in which case the notes must be issued in NGN form</i> ]

## **BOOK-ENTRY CLEARANCE PROCEDURES**

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but neither the Issuer nor the Guarantor or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor the Guarantor or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **Book-Entry Systems**

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each hold securities for its customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “Subscription and Sale and Transfer and Selling Restrictions”, transfers directly or indirectly through Euroclear or Clearstream, Luxembourg or accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Trustee, the Agents or any Dealer will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## TAXATION

### Italy

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposition of the Notes. They apply to a holder of the Notes only if such holder purchases its Notes under this Programme. It 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 holder of the Notes if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law. This summary also assumes that the Issuer and/or the Guarantor are organised and that the Issuer's and/or the Guarantor's business will be conducted as outlined in this Offering Circular. Changes in the Issuer's and/or the Guarantor's tax residence, organisational structure or the manner in which the Issuer and/or the Guarantor conduct their business may invalidate this summary.*

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. A tax reform relating to income from securities has been announced. Neither the Issuer nor the Guarantor will update this summary to reflect changes in laws and if any such changes occur 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 of their ownership of the Notes.*

### Interest and other proceeds

#### ***1. Notes that qualify as “obbligazioni” or “titoli similari alle obbligazioni” with an original maturity of 18 months or more***

To the extent that Notes qualify as “obbligazioni” or “titoli similari alle obbligazioni”, as defined hereunder, interest, premium and other proceeds (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as “Interest”) deriving from Notes having an original maturity of eighteen months or more, are subject to the tax regime provided for by Legislative Decree No. 239 of 1 April 1996, as amended (“Decree No. 239”).

In particular, Decree No. 239 applies only to such Notes which fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Italian Presidential Decree No. 917 of 22 December 1986, as amended (“Decree No. 917”). For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than that indicated thereon and that do not allow direct or indirect participation in the management of the issuer or of the business in relation to which they have been issued.

#### *Italian Resident Noteholders*

Pursuant to Decree No. 239, 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 or professional association, (iii) a non-commercial private or public institution or non-commercial trust, or (iv) an investor exempt from Italian corporate income tax (in each case, unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an authorised intermediary and has opted for the so-called “*Risparmio Gestito*” regime, see under paragraph “Capital Gains”, below), interest payments in respect of Notes are subject to a final substitute tax (“*imposta sostitutiva*”), levied at the rate of 12.5% (either when such Interest is paid by the Issuer, or - pursuant to Legislative Decree No. 461 of 21 November 1997 - when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered as a deduction from the income tax due.

In case the Notes are held by an Italian resident individual or non-commercial private or public institution engaged in a business activity and are effectively connected to its business activity, then Interest (i) will be subject to the *imposta sostitutiva* on account of income tax due and (ii) will be included in the relevant Noteholder's annual corporate taxable income to be reported in the income tax return. As a consequence, such

Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree No. 239, *imposta sostitutiva* is generally applied by banks, *società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *società di gestione del risparmio* (“SGRs”), stock exchange agents and other entities identified by relevant decrees of the Ministry of Economics and Finance (the “Intermediaries” and each an “Intermediary”).

The Intermediaries must: (i) be (a) resident in Italy, or (b) permanent establishments in Italy of Intermediaries resident outside Italy; 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 Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

In order to apply the *imposta sostitutiva*, an Intermediary opens an account (the “single account”) to which it credits the *imposta sostitutiva* in proportion to the Interest accrued. In the event that more than one Intermediary participates in an investment transaction, the *imposta sostitutiva* in respect of the transaction is credited to or debited from the single account of the Intermediary having the deposit or investment management relationship with the investor.

Where the Notes and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder or by the Issuer.

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) and the Notes and the relevant coupons are deposited in a timely manner directly or indirectly with an Intermediary, then payments of Interest on Notes will not be subject to the *imposta sostitutiva*, but Interest accrued on the Notes must be included in the relevant Noteholder’s annual corporate taxable income (and in certain circumstances, depending on the “status” of the Noteholder, also in the net value of production for the purposes of regional tax on productive activities – “IRAP”) to be reported in the income tax return and are therefore subject to general Italian corporate taxation according to the ordinary tax rules.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in: (i) a discretionary investment portfolio managed by an authorized intermediary pursuant to the so-called discretionary investment portfolio regime (the “*Risparmio Gestito*” regime, as described under “Capital Gains”, below); or (ii) an Italian investment fund (which includes *Fondo Comune d’Investimento* and SICAV); or (iii) an investment fund regulated by Article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the “Funds”). In such cases, to the extent that the Notes and the relevant coupons are deposited in a timely manner directly or indirectly with an Intermediary, Interest will not be subject to *imposta sostitutiva* but will contribute to determine the annual net accrued result of the managed portfolio or of the Funds, as the case may be, which is generally subject to an ad-hoc substitute tax of 12.5%, required to be applied by the managing professional intermediary.

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

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest, premium and other income in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of such real estate investment funds, provided that the Notes, together with the relevant coupons, are timely deposited with an authorized Intermediary. However, a 1% property tax has been recently introduced by Law Decree No. 112 of 25 June 2008 (converted into Law No. 133 of 6 August 2008) which applies, upon certain conditions, on the net value of certain real estate investment funds.

### *Non-Italian Noteholders*

Interest payments relating to Notes may be exempt from taxation with respect to certain beneficial owners of the Notes resident outside of Italy, without permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to Decree No. 239, as amended, subject to timely compliance with all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as outlined in brief below, an exemption applies to any non-Italian resident beneficial owner of the Notes who: (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Italian tax authorities (so called “white list”); or (ii) is an international body or entity set up in accordance with international agreements entered into force in Italy; or (iii) is a Central Bank or an entity also authorized to manage the official reserves of a State; or (iv) subject to certain exceptions, is an institutional investor which is established in a white-listed country, even if it does not possess the status of taxpayer in its own country of establishment.

Please note that the currently applicable “white list” of the countries allowing for a satisfactory exchange of information with Italy is provided for by Ministerial Decree dated 4 September 1996, as subsequently amended and supplemented. According to Law No. 244 of 24 December 2007 (the “Budget Law 2008”), a decree still to be issued is proposed to introduce a new “white list” replacing the current one.

The exemption procedure for non-Italian resident Noteholders to ensure payment of Interest in respect of the Notes without application of the *imposta sostitutiva* 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 and the relevant coupons 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 depository or sub-depository of the Notes appointed to maintain direct relationships, via telematic link, with the Italian tax authorities (the “Second Level Bank”). Organizations and companies non-resident in Italy, providing a centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Economics and Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, or a central depository of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree No. 239.

In the event that a non-Italian resident Noteholder deposits the Notes and the relevant coupons 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 Noteholders who are not resident in Italy is conditional upon:

- (i) the deposit of the Notes and the coupons relating thereto, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (ii) the submission to the First Level Bank or the Second Level Bank, as the case may be, of a statement (*autocertificazione*) of the relevant Noteholder, to be provided only once, in which it declares, *inter alia*, to be the beneficial owner of the Notes and that it is resident in a country which recognizes the Italian fiscal authorities’ right to a satisfactory exchange of information. Such statement must comply with the requirements set forth by the Italian Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and needs not to be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The above statement is not requested for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy or Central Banks or entities also authorized to manage the official reserves of a State.

The First Level Bank is obliged to send the above statement to the Second Level Bank within 15 days from receipt.



The Second Level Bank files the data relating to the non-resident Noteholder together with the data relating to the First Level Bank and of the transactions carried out, via telematic link, to the Italian Tax Authorities within the first transmission period after receipt of such data. Transmission periods are two-week periods per month during which the Second Level Bank transmits to the Italian Tax Authorities data relating to Note transactions carried out during the preceding month. The Italian Tax Authorities monitor and control such data and any discrepancies thereof.

In case of failure to comply with the above exemption procedure, *imposta sostitutiva* will apply on Interest payable to non-resident Noteholders without permanent establishment in Italy to which the Notes are effectively connected (increased by 1.5% for each month or fraction of a month of delay after the month in which payment of the *imposta sostitutiva* should have been made) pursuant to the ordinary rules applicable for the payment of the *imposta sostitutiva* by Italian resident investors.

In the case of non-Italian resident Noteholders without permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10%) or reduced to zero under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

### *Early Redemption*

Without prejudice to the above-described regime, if the Notes having an original maturity of 18 months or more are subject to an early redemption within 18 months from the issue date, an additional amount (tax) is payable by the Issuer at the rate of 20% in respect of Interest accrued thereon up to the date of early redemption, pursuant to Article 26, paragraph 1, of Presidential Decree No. 600 of 29 September 1973, as amended (“Decree No. 600”). According to one interpretation of Italian fiscal law, the above 20% additional amount (tax) may also be due in the event of any purchase of Notes by the Issuer with subsequent cancellation thereof prior to eighteen months from the issue date.

## **2. Notes that qualify as “Atypical Securities”**

Any proceeds (including the difference between the amount paid to Noteholders at maturity or the value of assets due to them at maturity and the issue price) on the Notes which qualify as “*titoli atipici*” (“atypical securities”) for Italian tax purposes are subject to withholding tax at the rate of 27%.

Payments of proceeds to (i) Italian residents individuals holding the Notes in connection with business activities, (ii) Italian residents commercial partnerships, (iii) Italian residents companies or similar commercial entities, (iv) permanent establishments in Italy of a foreign entity to which the Notes are effectively connected or (v) an Italian resident commercial private or public institution or commercial trust, are subject to the 27% withholding tax on account. In all other cases, the 27% withholding tax operates as a final tax.

In case of non-Italian resident Noteholders, without permanent establishment in Italy to which the Notes are effectively connected, the above mentioned withholding tax rate may be reduced (generally to 10%) or reduced to zero under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

## **3. Payments by an Italian resident Guarantor**

With respect to payments made by the Guarantor, in accordance with one interpretation of Italian fiscal law, any such payments should not be subject to Italian withholding tax.

However, there is no authority directly regarding the Italian tax regime of payments in respect of notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not impose an alternative treatment of such payments or that the Italian court would not support such an alternative treatment.

In particular, according to a different interpretation such payments may be subject to Italian withholding tax at the rate of 12.5% levied as a final tax or a provisional tax (“*a titolo d’imposta o a titolo di acconto*”) depending on the “status” of the Noteholder, pursuant to Article 26, paragraph 5, of Decree No. 600, as amended. In the case of payments to non-Italian residents, the withholding tax should be final and may be applied at the rate of 27% if, in certain circumstances, payments are made to non-Italian residents who are resident in a country with

a “privileged tax regime” as defined in Article 110, paragraph 10, of Decree No. 917, and currently identified by the Decree of the Treasury Ministry of 23 January 2002, both as amended from time to time. According to the Budget Law 2008, a decree still to be issued is to introduce a new list replacing the current one. Double taxation treaties entered into by Italy may apply allowing for a lower (or in certain cases, nil) rate applicable to such withholding tax in the case of payments to non-Italian residents.

In accordance with another interpretation, any such payment made by an Italian resident Guarantor should be treated as a payment by the guaranteed Issuer and made subject to the tax treatment described in the previous paragraphs of this section.

## **Capital Gains**

### ***I. Italian resident individuals***

Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended (“Decree No. 461”), a 12.5% Italian capital gains tax (the “CGT”) is in certain cases applicable to capital gains realized on sale or transfer of the Notes for consideration or on redemption thereof.

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

Should the Notes qualify as atypical securities, based on a very restrictive interpretation, the aforesaid capital gains would be subject to the 27% final withholding tax mentioned under paragraphs 2, above.

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

- (a) pursuant to the tax return regime (*Regime della Dichiarazione*), the Noteholder will have to assess the overall capital gains realized in a given fiscal year, net of any relevant incurred capital losses, in his annual income tax return and pay the CGT due on capital gains so assessed together with the income tax due for the same fiscal year. Capital losses exceeding capital gains can be carried forward to offset capital gains of the same kind in the following fiscal years up to the fourth. As such regime constitutes the ordinary regime, the Noteholder must apply it whenever he does not opt for any of the two other regimes;
- (b) pursuant to the non-discretionary investment portfolio regime (*Risparmio Amministrato* regime), the Noteholder may elect to pay the CGT separately on capital gains realized on each sale, transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or other authorized intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely 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 fiscal year will also be deemed valid for the subsequent fiscal year. The intermediary is responsible for accounting for the CGT in respect of capital gains realized on each sale, transfer or redemption of the Notes. 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, transfer or redemption of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realized on assets held by the Noteholder with the same intermediary within the same relationship of deposit, in the same fiscal year or in the following fiscal years up to the fourth. The Noteholder is not required to declare the gains in its annual income tax return and remains anonymous; and
- (c) pursuant to the discretionary investment portfolio regime (*Risparmio Gestito* regime), if the Notes are part of a portfolio managed by an Italian asset management company, capital gains will not be subject to the CGT, but will contribute to determine the annual net accrued result of the portfolio. Said annual net accrued result of the portfolio, even if not realized, is subject to an ad-hoc 12.5% substitute tax to be applied on behalf of the Noteholder by the asset management company. Any capital losses of the investment portfolio accrued at year-end may be carried forward and offset against future net profits

accrued in each of the following fiscal years up to the fourth one. Under such regime the Noteholder is not required to declare the capital gains in its annual income tax return and remains anonymous.

## **2. Corporate investors (including banks and insurance companies)**

Capital gains realized by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) on sale, transfer or redemption of the Notes will form part of their aggregate income subject to corporation tax (IRES) generally applied at a rate equal to 27.5% (save for the cases in which the IRES rate is 34%, as provided for by Law Decree No. 112 of 25 June 2008, converted into Law No. 133 of 6 August 2008, as amended by law No. 99 of 23 July 2009). In certain cases (depending on the status of the Noteholder), capital gains may also be included in the taxable net value of production of Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) for IRAP purposes, generally applying at 3.9 % rate. The 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 for IRES purposes.

## **3. The Funds**

In case of Notes held by Funds, capital gains on the Notes will contribute to determine the annual net accrued result of same Funds, which is generally subject to a 12.5% substitute tax (see also paragraph 1 above).

## **4. The Pension Funds**

In case of Notes held by Italian Pension Funds, capital gains on the Notes will contribute to determine the annual net accrued result of same Pension Funds, which is subject to an 11% substitute tax (see also paragraph 1 above).

## **5. The Real Estate Investment Funds**

Capital gains on Notes held by Italian Real Estate Investment Funds generally are not taxable at the level of same Real Estate Investment Funds. However, upon certain conditions, a 1% property tax applies on the net value of certain real estate investment funds (see also paragraph 1 above).

## **6. Non-Italian resident Noteholders**

The 12.5% CGT may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and that in certain cases subject to timely filing of required documentation (in the form of a self-declaration - *autocertificazione* - of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions of any applicable double tax treaty.

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

- (a) pursuant to the provisions of Legislative Decree No. 461, Decree No. 350 of 25 September 2001 and Decree No. 239, as modified in particular by Article 41 of Decree No. 269 of 30 September 2003, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a country which recognises the Italian tax authorities' right to a satisfactory exchange of information (included in the "white list" as amended and supplemented, see paragraph 1 above).

In this circumstance, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in time

with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement of residence, for tax purposes, in a country which recognises the Italian fiscal authorities' right to a satisfactory exchange of information;

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

In these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Risparmio Amministrato regime or the Risparmio Gestito regime, exemption from Italian taxation on capital gains will generally apply on condition that they file in time with the authorised financial intermediary appropriate documents which include, inter alia, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

### **Inheritance and gift taxes**

Subject to certain conditions, transfer of Notes, *mortis causa* or by reason of donation, are subject to inheritance and gift taxes, provided that the issuer is resident in Italy.

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

- (i) transfers to spouse and to direct relatives: 4% of the value of the notes exceeding €1 million for each beneficiary;
- (ii) transfers to brothers and sisters: 6% of the value of the notes exceeding €100,000 for each beneficiary;
- (iii) transfers to relatives (*parenti*) within the fourth degree, to direct relatives in law (*affini in linea retta*), indirect relatives in law (*affini in linea collaterale*) within the third degree other than the relatives indicated above: 6% of the value of the notes;
- (iv) other transfers: 8% of the value of the notes.

If the heir/beneficiary is affected by an handicap deemed as “critical” pursuant to Law No. 104 of 5 February 1992, inheritance and gift taxes apply only on the value of assets (net of liabilities) exceeding € 1,500,000.

### **Transfer tax**

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

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to fixed registration tax at rate of €168; (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax at rate of €168 only in case of use or voluntary registration.

### **EU Directive on the Taxation of Savings Income**

The Council of the European Union has adopted a directive regarding the taxation of savings income in the form of interest payments (Council Directive 2003/48/EC of 3 June 2003). Subject to a number of important conditions being met, Member States are required to provide to the fiscal authorities of another Member State details of payments of interest or similar income made by a person within its jurisdiction to an individual resident in that other Member State, except for certain EU countries that will instead operate a withholding tax system for a transitional period in relation to such payments unless during such period they elect otherwise. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding tax system in the case of Switzerland).

## **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“Decree No. 84”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and which are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information relating to the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the beneficial owner’s State of residence.

## **United Kingdom**

*The following is a general summary of certain United Kingdom tax issues at the date hereof in relation to payments of interest in respect of the Notes and the provision of information in the United Kingdom. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and some aspects do not apply to certain classes of taxpayer (such as dealers in the Notes, persons who hold the Notes for trading purposes, and for holders of the Notes who are connected or associated with the Issuer for relevant tax purposes). Prospective Noteholders should be aware that the issue of any further notes may affect the tax treatment of the Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to tax in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom tax aspects of payments in respect of the Notes and the provision of information in the United Kingdom.*

### **General**

Interest on the Notes may be subject to United Kingdom income tax or corporation tax by direct assessment even where paid without withholding. However, interest that is received without withholding or deduction for or on account of United Kingdom tax is not chargeable to United Kingdom tax in the hands of a Noteholder (other than in the case of certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency, or a United Kingdom permanent establishment (in the case of a corporate Noteholder), in connection with which the interest is received or to which the Notes are attributable. In such a case, United Kingdom income tax or corporation tax may be levied on the branch, agency or permanent establishment, although there are exceptions for certain types of agent (such as some brokers and investment managers). The provisions of any applicable double tax treaty may be relevant to such a Noteholder.

### **United Kingdom withholding**

Interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax, on the assumption that the interest will not be considered to have a United Kingdom source.

### **United Kingdom stamp duty and stamp duty reserve tax**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue or transfer of a Note, on the assumption that the Notes will be treated as “loan capital” within the meaning of section 79 Finance Act 1986.

### **Provision of Information**

Individuals who are Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by the Issuer or any person in the United Kingdom acting on behalf of the Issuer (a “paying agent”), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a “collecting agent”), then the Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HM Revenue & Customs details of the payment and certain details relating to the Noteholder (including the Noteholder’s name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is

resident in the United Kingdom for United Kingdom tax purposes. Where the Noteholder is not so resident, the details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

Reference is made to the section of this Offering Circular entitled “EU Directive on the Taxation of Savings Income”. The United Kingdom has implemented this directive and provides to the tax authorities of the Member States (and certain non-EU countries and dependent or associated territories) the details of payments of interest and other similar income paid by a person within the United Kingdom to an individual (or a residual entity) resident in that country or territory.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Notes may be sold from time to time by the Issuer to any one or more of 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 on or about the date hereof (the “Dealer Agreement”) and made between the Issuer, the Guarantor 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, failing whom the Guarantor, in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of the 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.

### Selling Restrictions

#### *The European Economic Area*

In relation to each Member State which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 this Offering Circular as completed by the Final Terms in relation thereto (or are the subject of 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 Notes to the public in that Relevant Member State:

- (a) if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 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;
- (e) at any time if the denomination per Note being offered amounts to at least €50,000; or
- (f) 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 (b) to (e) 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 and includes any relevant implementing measure in each Relevant Member State.

### ***United States***

The Notes and the Guarantee 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.

Notes in bearer form 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, subject to certain exceptions. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each Dealer to which it sells any Notes during the distribution compliance period 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. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) 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 any 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 Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) 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 any investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Republic of Italy***

The offering of Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except:

- (i) to the categories of qualified investors (*investitori qualificati*) set out in paragraphs (i) to (iii) of Article 2(1)(e) of the Prospectus Directive, as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“Regulation No. 11971”); or



- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971 of 14 May 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

### ***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) and, accordingly, each of the Dealers 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 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.

### ***France***

Each Dealer, the Issuer and the Guarantor has represented and agreed that it has not offered or sold and will not offer or sell, directly, or indirectly, any Notes to the public in the Republic of France and that offers of Notes will be made in the Republic of France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), as defined in Article L.411-1, Article L.411-2 and Articles D.411-1 to D.411 -3 of the *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°.

Each Dealer, the Issuer and the Guarantor has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Offering Circular or any other offering material relating to the Notes other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made as described above.

### **General**

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular or any Final Terms comes are required by the Issuer, the Guarantor 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 have in their possession or distribute such 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 no longer be applicable as a result of any change, or any change in official interpretation, after the date hereof of applicable laws and regulations, but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the applicable Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Offering Circular.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Notes thereunder by the Issuer were authorised (i) by a resolution of the Board of Directors of Atlantia on 17 September 2009. The guarantee given by the Guarantor in respect of the Notes to be issued under the Programme by Atlantia was authorised by a resolution of the Board of Directors of Autostrade Italia on 18 September 2009.

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer and the Guarantor under the laws of Italy have been given for the issue of Notes under the Programme and for the Issuer and the Guarantor to undertake and perform their respective obligations under the Dealer Agreement, the Trust Deed, the Agency Agreement, the Notes and the Guarantee (as the case may be).

### Listing

The Offering Circular has been approved by the Financial Regulator, as competent authority under the Prospectus Directive, as a “base prospectus” for the purposes of the Prospectus Directive. The Issuer may apply to the Irish Stock Exchange for Notes of a particular Series offered pursuant to this Offering Circular to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange during the period of 12 months from the date of this Offering Circular. The Irish Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The issue price and the amount of the relevant Notes will be determined by the Issuer and the relevant Dealer at the time of issue of the relevant Tranche of Bearer Notes, based on then prevailing market conditions.

### Foreign languages used in the Offering Circular

The language of this Offering Circular 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.

### Documents Available

From the date hereof, so long as any of the Notes remains outstanding and throughout the life of the Programme, copies of the following documents will, when published, be available for inspection in hard copy, free of charge in English from the registered office of the Issuer and from the specified offices of the Principal Paying Agent:

- (i) an English translation of the constitutive documents of the Issuer and the Guarantor;
- (ii) the latest published annual report and the latest annual audited consolidated and non-consolidated financial statements of the Issuer and the latest unaudited interim consolidated and non-consolidated financial statements of the Issuer (in each case in English);
- (iii) the Dealer Agreement, the Trust Deed (which contains the forms of the Global Notes, the Guarantee, the Certificates, the Notes in definitive form, the Receipts, the Coupons and the Talons) and the Agency Agreement;
- (iv) a copy of this Offering Circular; and
- (v) any future offering circulars, information memoranda and supplements (including the Final Terms in respect of listed Notes) to this Offering Circular and any other documents incorporated herein or therein by reference.

### Clearing and Settlement Systems

The Notes and the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number (“ISIN”) (and,

when applicable, the identification number for any other relevant clearing system) for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg, is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

### **Legended Notes**

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “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”.

### **Significant Change and Material Adverse Change**

Except as disclosed in this Offering Circular, there has been no significant material adverse change, or any development reasonably likely to involve a significant material adverse change, in the condition (financial or otherwise), trading position or prospects of the Issuer or of the Group or of the Guarantor since 31 December 2008 and no material adverse change in the prospects or general affairs of the Issuer, the Guarantor or of the Group since 31 December 2008.

### **Material Contracts**

Except as disclosed herein, neither the Issuer, the Guarantor nor any of their respective consolidated subsidiaries has, since 31 December 2008, entered into any contracts outside the ordinary course of business that could have a material adverse effect on the ability of the Issuer or the Guarantor to meet their obligations under Notes issued under the Programme.

### **Litigation**

The Group is currently party to various litigation and proceedings. See “Business Description of the Group — Legal Proceedings”. As at 31 December 2008, the Group had a €106.8 million provision in its financial statements for litigation. The Group believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its business, financial condition or prospects. However, to the extent the Group is not successful in some or all of these matters or in future legal challenges, the Group’s results of operations or financial condition may be materially adversely affected.

Except as disclosed herein, none of the Issuer, the Guarantor or any of their respective consolidated subsidiaries is or has been involved in any litigation or governmental or arbitration proceedings relating to claims or amounts during the 12 months preceding this Offering Circular which may have or have had significant adverse effects on the financial or trading position of the Group, nor so far as the Issuer or the Guarantor is aware, are any such litigation or proceedings pending or threatened.

### **Corporate Governance**

As at the date of this Offering Circular, both the Issuer and the Guarantor were in compliance with applicable Italian law corporate governance requirements in all material respects.

### **Accounts**

Although the Issuer publishes both consolidated and non-consolidated accounts, the non-consolidated accounts do not provide significant additional information as compared to the consolidated accounts.

### **Independent Auditors**

KPMG S.p.A. (authorised and regulated by CONSOB and registered on the special register of accounting firms held by CONSOB) has audited the accounts of the Issuer for the years ended 31 December 2006, 2007 and 2008.

**Registered offices of the Issuer**

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00161 Rome  
Italy

**Registered offices of the Guarantor**

**Autostrade per l'Italia S.p.A.**  
Via Alberto Bergamini, 50  
00159 Rome  
Italy

**Auditors**

**KPMG S.p.A.**  
Via Ettore Petrolini, 2  
00197 Rome  
Italy

**Trustee**

**BNY Corporate Trustee Services Limited**  
One Canada Square  
E14 5AL London  
United Kingdom  
Attention: Corporate Trust Services  
Fax no.: +44 20 7964 2536

**Registrar**

**The Bank of New York Mellon (Luxembourg) S.A.**  
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L-1736 Senningerberg  
Luxembourg

**Principal Paying Agent and Transfer Agent**

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United Kingdom  
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Fax: +44 20 7964 2536

**Irish Listing Agent**

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## Legal Advisers

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*To the Trustee as to  
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*To the Issuer and  
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*To the Dealers and  
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Italian law*

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United Kingdom

*To the Issuer and  
the Guarantor as to  
Italian tax law*

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Via Della Scrofa, 57  
00186 Rome  
Italy

## Dealers

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**Calyon**  
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United Kingdom

**J.P. Morgan Securities Ltd.**  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

**Mediobanca - Banca di Credito Finanziario S.p.A.**  
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France

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