



## Aeroporti di Roma S.p.A.

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

subject to the direction and coordination of Atlantia S.p.A.

€1,500,000,000

### Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Aeroporti di Roma S.p.A. (“**AdR**” or the “**Issuer**”) may, from time to time, subject to compliance with all applicable laws, regulations and directives, issue medium term debt securities in either bearer or registered form (respectively, “**Bearer Notes**” and “**Registered Notes**” and, together, the “**Notes**”). The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed €1,500,000,000 (or the equivalent in other currencies), provided that the Issuer may increase such maximum principal aggregate amount in accordance with the Dealer Agreement (as defined below).

The Notes may be issued on a continuing basis to one or more of the Dealers named below or any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis (each a “**Dealer**” and together, the “**Dealers**”). References in this Base Prospectus 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. Notes will be issued in Series.

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) or other regulated markets for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”) 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 Euronext Dublin 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 certain other information completing the terms and conditions which are applicable to each Tranche (as defined under “**Overview of the Programme**”) 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 Euronext Dublin, will be filed with the Central Bank.

The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Where Notes issued under the Programme are listed or admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, such Notes will not have a denomination of less than €100,000 (or, in the case of notes that are not denominated in euro, the equivalent thereof in such other currency).

**Investing in the Notes involves certain risks. For a discussion of these see the section entitled “Risk Factors” beginning on page 8.**

The Notes 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*”.

AdR’s long-term debt is currently rated “**BBB+**” (with a negative outlook) by Standard & Poor’s Credit Market Services Europe Ltd. (“**S&P**”), “**Baa2**” (with a negative outlook) by Moody’s Investors Service Ltd (“**Moody’s**”) and “**BBB+**” (with a negative outlook) by Fitch Ratings Limited (“**Fitch**”). Each of Moody’s, S&P and Fitch is established in the European Union and registered under Regulation (EC) No.1060/2009 (as amended) (the “**CRA Regulation**”) and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating and/or an issuer corporate rating is/are not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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 “**Bearer Global Notes**”). Registered Notes will be represented by registered certificates (each a “**Certificate**”, which term shall include where appropriate registered certificates in global form) (“**Registered Global Notes**”, and together with the Bearer Global Notes, the “**Global Notes**”), one Certificate being issued in respect of each registered Noteholder’s entire holding of Registered Notes of one Series (as defined under “**Overview of the Programme**” and “**Terms and Conditions of the Notes**”). Global Notes may be deposited on the Issue Date (as defined herein) with a common depositary or a common safekeeper (as applicable) on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The provisions governing the exchange of interests in Global Notes for other Global Notes are described in the section entitled “*Forms of the Notes*” of this Base Prospectus.

The Issuer 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.

**MiFID II product governance / target market** – The Final Terms or Drawdown Prospectus, as the case may be in respect of any Notes will include a legend entitled “*MiFID II Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID II Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS** - If the Final Terms in respect of any Notes include a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded (“**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**EU BENCHMARKS REGULATION** – Amounts payable under floating rate notes may be calculated by reference to either the Euro Interbank Offered Rate (“**EURIBOR**”) or the London Interbank Offered Rate (“**LIBOR**”), as specified in the relevant Final Terms. As at the date of this Base Prospectus, EURIBOR is provided and administered by the European Money Markets Institute (“**EMMI**”), and LIBOR is provided and administered by ICE Benchmark Administration Limited (“**ICE**”). At the date of this Base Prospectus, ICE is authorised as a benchmark administrator, and included on, whereas EMMI is not included on, the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that EMMI and ICE are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The transitional provisions of Article 51 of the BMR apply until 1 January 2020.

Arrangers

**BNP PARIBAS**

**Mediobanca**

Dealers

**Barclays**

**Crédit Agricole CIB**

**NATIXIS**

**Société Générale Corporate & Investment Banking**

**BNP PARIBAS**

**Mediobanca**

**NatWest Markets**

**UniCredit Bank**

The date of this Base Prospectus is 27 June 2019

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## NOTICE TO INVESTORS

*This Base Prospectus is a “base prospectus” in accordance with Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) as amended or superseded (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”). The Issuer accepts responsibility for the information contained in this Base Prospectus and, to the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Issuer, having made all reasonable enquiries, confirms that this Base Prospectus contains all information with respect to itself and its subsidiaries taken as a whole (AdR, together with its subsidiaries, the “**Group**”) and the Notes, which according to the particular nature of the Issuer 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 of any rights attaching to the Notes and is (in the context of the Programme, the issue, offering and sale of the Notes) 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 Base Prospectus 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 Base Prospectus misleading in any material respect and that all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.*

*This Base Prospectus is to be read and construed 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. This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus. See “Incorporation by Reference” below.*

*Neither this Base Prospectus 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 Arrangers, the Dealers or BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) that any recipient of the Base Prospectus 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 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 Base Prospectus or any further information supplied in connection with the Programme or the Notes or their distribution. To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Trustee accepts any liability in relation to the contents of this Base Prospectus or any document incorporated by reference in this Base Prospectus or the distribution of any such document or with regard to any other information supplied by, or on behalf of, the Issuer.*

*Furthermore, with respect to Notes described as “Green Bonds”, none of the relevant Dealers will verify or monitor the proposed use of proceeds of such Notes and no representation is made by the relevant Dealers as to the suitability of the Notes described as “Green Bonds” to fulfil environmental or sustainability criteria required by prospective investors.*

*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 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 Base Prospectus 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 Arrangers, the Dealers or the Trustee.*

*Neither the delivery of this Base Prospectus, nor the offering, sale or delivery of any Notes shall in any circumstances create any implication that, since the date of this Base Prospectus 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 or the Group. The Arrangers, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer 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 when deciding whether or not to purchase any Notes.*

*The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Arrangers, the Dealers or the Trustee represents that this Base Prospectus 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 Arrangers, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Notes must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus 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 Base Prospectus, see "Subscription and Sale and Transfer and Selling Restrictions".*

*This Base Prospectus has been prepared by the Issuer 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 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 Base Prospectus. Any representation to the contrary is a criminal offence in the United States.*

*The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €1,500,000,000 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 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.*

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

*Prospective Noteholders should consider carefully all information contained in this Base Prospectus (including, without limitation, any documents incorporated by reference therein and the section headed “Risk Factors”) and reach their own views, based upon their own judgment and upon advice from such financial, tax and legal advisers they have deemed necessary, before making any investment decision in the Notes.*

## FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Base Prospectus 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 Base Prospectus 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. Neither the Issuer nor 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 to carefully review and consider the various disclosures made by the Issuer and the Group in this Base Prospectus which attempt to advise interested parties of the factors that affect the Issuer, the Group and their business, including the disclosures made under "*Risk Factors*", "*Business Description of the Group*" and "*Regulatory Framework*" below. The Issuer does not intend 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 persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. 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 Base Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer'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 Issuer to rely on internally developed estimates. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by this information. While the Issuer 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 Issuer nor the initial purchasers have independently verified that data. The Issuer 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. The information in this Base

Prospectus has been accurately reproduced and no facts have been omitted that would render the reproduced information inaccurate or misleading. However, information regarding the sectors and markets in which the Group operates may not be available for certain periods and, accordingly, such information may not be current as of the date of this Base Prospectus. All sources of such information have been identified where such information is used. Similarly, while the Issuer believes such information to be reliable and believes its internal estimates to be reasonable and confirms all information to be up to date on the date of approval of this Base Prospectus, they have not been verified by any independent sources. Undue reliance should therefore not be placed on such information. See “*Forward-Looking Statements*” above.

## **SUPPLEMENTS AND DRAWDOWN PROSPECTUS**

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 Base Prospectus which is capable of affecting the assessment of the Notes, it shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and the Trustee any number of copies of such supplement as such Dealer and the Trustee may reasonably request.

The Issuer may agree with any Dealer party to such issue, to issue Notes in a form not contemplated in the section of this Base Prospectus 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 Base Prospectus, 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 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 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 Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

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

Unless otherwise indicated or where the context requires otherwise, references in this Base Prospectus 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 Union, as amended from time to time.

The Issuer reports its financial information and prepares its financial statements in Euro. The Issuer reports its financial information and prepares its consolidated financial statements in compliance with the International Financial Reporting Standards adopted by the European Union, as prescribed by European Union Regulation No. 1606 of 19 July 2002 (“**IFRS**”).

The financial year of AdR begins on 1 January and terminates on 31 December of each calendar year. Italian law requires AdR to produce annual audited financial statements.

The consolidated financial statements as at and for the year ended 31 December 2018 and 2017, incorporated by reference in this Base Prospectus, have been audited by EY S.p.A. In the preparation of the consolidated financial statements as at and for the year ended 31 December 2018, the Issuer adopted for the first time the new accounting standards “IFRS 9 – Financial instruments” and “IFRS

15 – Contracts with customers” as well as other new amendments or improvements applicable from 1 January 2018. The application of the new standards led to an increase of Euro 6.1 million in the consolidated net equity as at 1 January 2018 due to first time adoption of IFRS 9. In addition, the income statement for the year ended 31 December 2017 was restated as compared to the income statement originally presented for that year due to the net presentation of Revenue from airport management and Service costs for Euro 6.6 million in adoption of IFRS 15. The detailed effects of the first time adoption of such new standards, amendments or improvements are presented in the consolidated financial statements as at and for the year ended 31 December 2018 incorporated by reference in this Base Prospectus.

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

### **Alternative Performance Measures**

This Base Prospectus and the management report on operations (*relazione sulla gestione*) as at and for the year ended 31 December 2018 (the “**2018 Management Report**”) included in the 2018 annual report, together with the 2018 Consolidated Financial Statements (as defined in “*Incorporation by Reference*”) which are incorporated by reference in this Base Prospectus contain certain alternative performance measures (“**APMs**”) which are different from the IFRS financial measures adopted by the Group and set forth in the 2018 Consolidated Financial Statements. Such APMs are included into reclassified statements, obtained directly from the 2018 Consolidated Financial Statements, which are prepared in order to illustrate the economic results of the Group as well as its economic and financial position.

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

The APMs used by the Group are described as follows:

- Net operating costs: this indicator is used by AdR as a measure of the internal efficiency and performance over time;
- Gross operating income (EBITDA): this indicator is used by AdR for the evaluation of the operating performance of the Group;
- Fixed assets: this indicator is used by AdR for the evaluation of fixed assets of the Group as a whole, also through the comparison of the reporting period with those of the previous periods;
- Working capital: this indicator is used by AdR to represent the ability to generate cash in the next 12 months by operations, also through the comparison of the reporting period with those of the previous periods;
- Net invested capital: this indicator is used by AdR for the evaluation of total net assets, both current and fixed;
- Net debt: this indicator is used by AdR as a measure of the financial structure which provides investors with adequate information to evaluate the overall level of the Group’s indebtedness.

The tables below provide for a reconciliation of the above-mentioned APMs with the IFRS consolidated financial statements.

***Reconciliation between the reclassified consolidated income statement and the consolidated financial statements***

The income statement was reclassified on a “value-added” basis, which shows the contribution of the financial and core areas of operation. For the items included in the table below that cannot be directly inferred from the consolidated financial statements, the calculation method and the reference to the sections of the 2018 annual report containing the necessary information for calculation purposes are provided.

<b>RECLASSIFIED CONSOLIDATED INCOME STATEMENT</b>	<b>SOURCE/CALCULATION METHOD</b>
Revenues from airport management of which:	as inferred from the consolidated financial statements
aeronautical revenues	see note 7.1 of the Explanatory Notes to the consolidated financial statements
non-aeronautical revenues	see note 7.1 of the Explanatory Notes to the consolidated financial statements
Revenues from construction services	as inferred from the consolidated financial statements
Other operating income	as inferred from the consolidated financial statements
<b>Total revenues</b>	
External operating costs	calculated as follows
	+ Consumption of raw materials and consumables (as inferred from the consolidated financial statements)
	+ Service costs (as inferred from the consolidated financial statements)
	- Costs for construction services (see note 7.3 of the Explanatory Notes to the consolidated financial statements)
	- Costs for renovation of airport infrastructures (see note 7.3 of the Explanatory Note to the consolidated financial statements)
	+ Expenses for leased assets (as inferred from the consolidated financial statements)
	+ Other costs (as inferred from the consolidated financial statements)
	- Allocations to provisions for doubtful accounts (see Note 7.5 of the Explanatory Notes to the consolidated financial statements)
Costs for construction services	see note 7.3 of the Explanatory Notes to the consolidated financial statements
Concession fees	as inferred from the consolidated financial statements
Payroll costs	as inferred from the consolidated financial statements
(Allocation to) Re-absorption of allowances for risks and charges	as inferred from the consolidated financial statements
<b>Total net operating costs</b>	
<b>Gross operating income (EBITDA)</b>	
Amortization and depreciation	as inferred from the consolidated financial statements
Provisions for renovation and other adjusting provisions	calculated as follows
	+ Allocations to provisions for doubtful accounts (see note 7.5 of the Explanatory Notes to the consolidated financial statements)
	+ Allocation to (use of) the provisions for renovation of airport infrastructures (as inferred from the consolidated financial statements)
	- operating uses of the provisions for renovation of airport infrastructures (see Note 6.13 of the Explanatory Notes to the consolidated financial statements)
<b>Operating income (EBIT)</b>	
Financial income (expense)	as inferred from the consolidated financial statements
Share of profit (loss) of associates accounted for using the equity method	as inferred from the consolidated financial statements
<b>Income (loss) before taxes from continuing operations</b>	as inferred from the consolidated financial statements
Taxes	as inferred from the consolidated financial statements
Net income (loss) from continuing operations	as inferred from the consolidated financial statements
Net income (loss) from discontinued operations	as inferred from the consolidated financial statements
Net income (loss) for the year	as inferred from the consolidated financial statements
Share of income (loss) for the year pertaining to third party Shareholders	as inferred from the consolidated financial statements

The table below provides for a reconciliation of the EBITDA amounts for the relevant periods.

	Years ended 31 December	
	2017	2018
	<i>Euro in millions</i>	<i>Euro in millions</i>
<b>Net income for the year</b>	245	246
Add back:		
Income taxes	109	113
Share of profit (loss) of associates accounted for using the equity method	(5)	4
Financial Income (Expenses)	53	53
Amortization and depreciation	91	104
Provisions for renovation of airport infrastructure	44	56
Provisions for doubtful accounts	7	1
<b>EBITDA</b>	<b>544</b>	<b>577</b>

### ***Reconciliation between the reclassified consolidated balance sheet and the consolidated financial statements***

The consolidated balance sheet was reclassified in accordance with “management criteria”, which, on one hand, shows the division of invested capital between fixed capital and working capital, net of provisions, and on the other, the related sources of funding, represented by self-financing (Shareholders’ equity) and borrowing (current and non-current net debt). For the items included in the table below that cannot be directly inferred from the consolidated financial statements, the calculation method is provided.

RECLASSIFIED CONSOLIDATED BALANCE SHEET	SOURCE/CALCULATION METHOD
Intangible fixed assets	corresponding to the item “Intangible assets” in the consolidated financial statements
Tangible fixed assets	corresponding to the item “Tangible assets” in the consolidated financial statements
Non-current financial assets	corresponding to the item “Equity investments” in the consolidated financial statements
Deferred tax assets	as inferred from the consolidated financial statements
Other non-current assets	as inferred from the consolidated financial statements
<b>A</b>	<b>FIXED ASSETS</b>
Trade assets	as inferred from the consolidated financial statements
Other current assets	as inferred from the consolidated financial statements
Current tax assets	as inferred from the consolidated financial statements
Trade liabilities	as inferred from the consolidated financial statements
Other current liabilities	as inferred from the consolidated financial statements
Current tax liabilities	as inferred from the consolidated financial statements
<b>B</b>	<b>WORKING CAPITAL</b>
Provisions for employee benefits	as inferred from the consolidated financial statements

	Provision for renovation of airport infrastructure	as inferred from the consolidated financial statements
	Other allowances for risks and charges	as inferred from the consolidated financial statements
<b>C</b>	<b>CURRENT SHARE OF PROVISIONS</b>	corresponding to the item "Allowances for current provisions" in the consolidated financial statements
<b>D = B + C</b>	<b>WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS</b>	
	Non-current liabilities	+ Allowances for non-current provisions as inferred from the consolidated financial statements
		+ Other non-current liabilities as inferred from the consolidated financial statements
<b>E</b>	<b>NON-CURRENT LIABILITIES</b>	
<b>F = A + D + E</b>	<b>NET INVESTED CAPITAL</b>	
	Group Shareholders' Equity	as inferred from the consolidated financial statements
	Minority Interests in Shareholders' Equity	as inferred from the consolidated financial statements
<b>G</b>	<b>SHAREHOLDERS' EQUITY</b>	
	Non-current financial liabilities	as inferred from the consolidated financial statements
	Other non-current financial assets	as inferred from the consolidated financial statements
<b>H</b>	<b>NON-CURRENT NET DEBT</b>	
	Current financial liabilities	as inferred from the consolidated financial statements
	Current financial assets	+ Other current financial assets as inferred from the consolidated financial statements
		+ Cash and cash equivalents as inferred from the consolidated financial statements
<b>I</b>	<b>CURRENT NET DEBT</b>	
<b>L = H + I</b>	<b>NET DEBT</b>	
<b>G + L</b>	<b>HEDGING OF INVESTED CAPITAL</b>	

The table below provides for a reconciliation of Net Debt amounts for the relevant periods.

	Years ended 31 December	
	2017	2018
	<i>Euro in millions</i>	<i>Euro in millions</i>
Non current financial liabilities	1.489	1.486
Other non current financial assets	(13)	(5)
Current financial liabilities	16	16
Other current financial assets	(0)	(1)
Cash & cash equivalent	(302)	(328)
<b>Net Debt</b>	<b>1.190</b>	<b>1.168</b>

Investors should not place undue reliance on the abovementioned APMs and should not consider any APM as: (i) an alternative to operating income or net income as determined in accordance with IFRS; (ii) an alternative to cash flow from operating, investing or financing activities (as determined in accordance with IFRS) as a measure of the Group's ability to meet cash needs; or (iii) an alternative to any other measure of performance under IFRS.

The APMs described above have been derived from historical financial information of the Group and are not intended to provide an indication on the future financial performance, financial position or cash flows of the Group itself. Furthermore, such APMs have been calculated consistently throughout the periods for which financial information is presented in this Base Prospectus.

APMs presented in this Base Prospectus and in the 2018 Management Report included in the 2018 Consolidated Financial Statements which are incorporated by reference in this Base Prospectus should also be read in conjunction with the financial information presented or incorporated by reference in

this Base Prospectus and derived from the 2018 Consolidated Financial Statements and the 2017 Consolidated Financial Statements.

### **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 Notes 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 stabilisation may necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. All such transactions will be carried out in accordance with all applicable laws and regulations.

## OVERVIEW 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 Base Prospectus 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 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 above) will be published.*

<b>Issuer</b> .....	Aeroporti di Roma S.p.A.
<b>Issuer’s Legal Entity Identifier (LEI)</b> .....	8156007259ABDEA3F444
<b>Description</b> .....	Euro Medium Term Note Programme
<b>Size</b> .....	Up to €1,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Arrangers</b> .....	BNP PARIBAS Mediobanca – Banca di Credito Finanziario S.p.A.
<b>Dealers</b> .....	Barclays Bank PLC BNP PARIBAS Crédit Agricole Corporate and Investment Bank Mediobanca – Banca di Credito Finanziario S.p.A. Natixis NatWest Markets Plc Société Générale UniCredit Bank AG  The Issuer 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 Base Prospectus to “ <b>Permanent Dealers</b> ” 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 “ <b>Dealers</b> ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Trustee</b> .....	BNY Mellon Corporate Trustee Services Limited
<b>Principal Paying Agent</b> .....	The Bank of New York Mellon, London Branch

<b>Paying Agent and Transfer Agent</b> .....	The Bank of New York Mellon, London Branch
<b>Registrar</b> .....	The Bank of New York Mellon SA/NV, Luxembourg
<b>Method of Issue</b> .....	Notes may be issued on a syndicated or a non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue price and 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 “ <b>Tranche</b> ”) 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.
<b>Currencies</b> .....	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, euro, Sterling, United States dollars and Japanese yen.
<b>Certain restrictions</b> .....	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 “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”.
<b>Maturities</b> .....	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of 12 months and one day.
<b>Issue Price</b> .....	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Forms and the Initial Delivery of the Notes</b> .....	<p>The Notes will be issued in bearer or registered form as described in “<i>Forms of the Notes</i>”. Registered Notes will not be exchangeable for Bearer Notes and vice versa. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.</p> <p>Each Tranche of Bearer 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 Bearer Global Note which is not intended to be issued in new global note form (a “<b>Classic Global Note</b>” or “<b>CGN</b>”), 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</p>

each Bearer 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.

Each Tranche of Registered Notes will be represented by individual certificates or one or more Registered Global Notes, in each case as specified in the relevant Final Terms.

Each Note represented by Registered Global Note will either be: (a) in the case of a Registered Global Note which is not to be held under the new safekeeping structure (“**New Safekeeping Structure**” or “**NSS**”), registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common depository; or (b) in the case of a Registered Global Note to be held under the New Safekeeping Structure, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Registered Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

**Clearing Systems** ..... Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer.

**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 and the relevant Dealer may agree.

**Floating Rate Notes** ..... Floating Rate Notes will bear interest, as determined separately for each Series, either (i) 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), (ii) on the basis of a reference rate appearing on the agreed relevant screen page of a commercial quotation service or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.

**Other provisions in relation to Floating Rate Notes .....**

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer 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.

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series.

The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.

**Zero Coupon Notes .....**

Zero Coupon Notes (as defined in “*Terms and Conditions of the Notes*”) may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest.

**Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, upon giving not less than thirty (30) nor more than sixty (60) days’ irrevocable notice to the Trustee and the Noteholders if the Issuer will become obliged to pay additional amounts as described under Condition 8 (*Taxation*) and conditions are met.

**Call Option .....**

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer 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 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. See “*Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption at the Option of the Issuer and Exercise of Issuer’s Option (“Call Option”)*”.

**Clean-up Call Option.....**

In addition to the foregoing Call Option, the applicable Final Terms will indicate whether the Issuer has a Clean-up Call Option. See “*Terms and Conditions of the Notes — Redemption, Purchase and Options — Clean-Up Call*”.

*Option*".

<b>Put Option</b> .....	The applicable Final Terms will indicate whether any Noteholder has a Put Option. See " <i>Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption at the Option of the Noteholders and Exercise of Noteholders' Option ("Put Option")</i> ".
<b>Redemption at the Option of Noteholders on the Occurrence of a Relevant Event</b> .....	In addition to the foregoing Put Option, if so specified in the applicable Final Terms, Notes will be redeemable prior to maturity at the option of the Noteholders on the occurrence of a Relevant Event (as defined below). See " <i>Terms and Conditions of the Notes — Redemption, Purchase and Options</i> ".
<b>Denomination of Notes</b> .....	Bearer Notes may be issued in any denominations agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms, subject in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, to a minimum denomination of €100,000 (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 €100,000 (or its equivalent in other currencies) plus integral multiples of a smaller amount.
<b>Withholding Tax</b> .....	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 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 " <i>Terms and Conditions of the Notes — Taxation</i> ".
<b>Substitution</b> .....	The Trustee and the Issuer 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 in place of the Issuer, subject to the fulfilment of certain conditions, as more fully set out in " <i>Terms and Conditions of the Notes — Meetings of Noteholders, Modification, Waiver and Substitution</i> " and in the Trust Deed.
<b>Negative Pledge</b> .....	Yes, see " <i>Terms and Conditions of the Notes — Negative Pledge</i> ".
<b>Cross Default</b> .....	Yes, see " <i>Terms and Conditions of the Notes — Events of</i>

*Default*".

**Status of the Notes**..... The Notes and the Coupons relating to them constitute (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of AdR and shall at all times rank *pari passu* and without any preference among themselves and *pari passu* with all senior, unsecured and unsubordinated obligations of AdR, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. See "*Terms and Conditions of the Notes – Status of the Notes*".

**Listing and Admission to Trading** .....

This Base Prospectus has been approved by the Central Bank, 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 Euronext Dublin and to be listed on the Official List of Euronext Dublin.

Notes which are neither listed nor admitted to trading on any market may also be issued.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information completing the terms and conditions 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 Euronext Dublin, will be delivered to Euronext Dublin.

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** ..... BNP Paribas Securities Services, Luxembourg Branch

**Governing Law**..... The Notes, the Dealer Agreement, 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.

**Ratings** ..... Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) of the Issuer or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. The Final Terms will also disclose whether or not each credit rating applied for in relation to a relevant Tranche of Notes has been (1) issued by a credit rating agency established in the EEA and registered (or which has applied for registration and not been refused) under the CRA Regulation, (2) issued by a credit rating agency which is not established in the EEA but will be

endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

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

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

**Risk Factors**..... Refer to “*Risk Factors*” below for a summary of certain risks involved in investing in the Notes. Prospective Noteholders should consider carefully all information contained in this Base Prospectus (including, without limitation, any documents incorporated by reference therein and any supplement thereto) and reach their own views, based upon their own judgment and upon advice from such financial, tax and legal advisers they have deemed necessary, before making any investment decision.

## RISK FACTORS

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

*An investment in the Notes involves risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme. However, the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons that may not be considered significant risks by the Issuer or which it may not currently be able to anticipate based on information currently available to it. In addition, if any of the following risks, or any other risk not currently known, actually occur, the trading price of the Notes could decline and investors may lose all or part of their investment. Any prospective investors should carefully consider all information contained in this Base Prospectus (including any documents incorporated by reference hereto) and reach their own views, based upon their own judgment and upon advice from such financial, legal and tax advisers as they have deemed necessary, before making any investment decision, including the risks described below.*

*Words and expressions defined elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus and any document incorporated by reference hereto.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES**

#### **RISKS RELATING TO THE CONCESSION**

***The Group is dependent on the Concession, which accounts for substantially all of the Group's revenues.***

The Group is dependent on the exclusive Concession (as defined in “Regulatory Framework” below) to manage and operate (directly or indirectly through other Group companies or third parties) Fiumicino Airport and Ciampino Airport (each as defined in “Business Description of the Group” below). As at 31 December 2018, almost all of the Group's revenues were derived from aeronautical and non-aeronautical revenues (including revenues from real estate activities and commercial activities, such as sales, sub-concessions and utilities, car parks and advertising) related to the operation of the Airports (as defined in “Business Description of the Group” below) under the Concession (see “Business Description of the Group” for further information). According to the Group's current business plan, AdR expects that all or a substantial part of the Group's future business, revenues and profitability will continue to depend upon the Concession which is currently set to expire on 30 June 2044, although in certain circumstances it could be terminated before that date (see “Risk Factors — The Group is subject to penalties or sanctions for non-performance of its obligations or default under the Concession and the Regulatory Framework, which, if unremedied, could result in the Concession and the Regulatory Framework being terminated”). No assurance can be given that the Group may be able to renew the Concession or enter into a new concession to permit it to carry on its core business after the expiry of the Concession, or that any new concession entered into or renewal of the existing Concession will be on terms similar to those of the Concession. Therefore, a loss or non-renewal of the Concession could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group is subject to penalties or sanctions for non-performance of its obligations or default under the Concession and the Regulatory Framework, which, if unremedied, could result in the Concession and the Regulatory Framework being terminated.***

The Group is required to comply with significant obligations, which include:

- developing and implementing an investment plan to expand the capacity of the Rome Airport System (as defined in “*Business Description of the Issuer — Overview*”) to cater for over 100 million passengers per year by 2044 with overall estimated investments of approximately Euro 12 billion (such original passenger target and investment estimate are subject to review by ENAC and AdR also in light of the traffic level; in this respect, see “*Business Description of the Issuer – Recent Developments – Review of the capital investment and development of North-Fiumicino*” below);
- managing the Rome Airport System and maintaining a high level of quality;
- performing ordinary and extraordinary maintenance of all airport infrastructure and facilities (including runways and taxiways, handling operations, parking areas and internal roads); and
- operating and maintaining all equipment and machinery necessary for the performance of directly managed airport services.

Pursuant to the Regulatory Framework, the Group is subject to penalties or sanctions, which in certain cases can be significant, for non-performance of its obligations or default under the Concession. Additionally, certain events or significant breaches by AdR in the performance of its obligations under the Regulatory Framework (such as, *inter alia*, serious breaches of the Italian Navigation Code (as defined in “*Regulatory Framework — Overview*”), breaches of safety provisions, significant and unjustified delays in the implementation of the investment plan and/or failure to pay the Concession’s fees) or valid public interest reasons (*motivate esigenze di interesse pubblico*) could lead to the early termination of the Concession by an inter-ministerial decree upon ENAC’s proposal. For further information on the procedures for (i) revocation of the Concession for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law, (ii) discontinuance upon termination of the Concession (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and (iii) withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law for other reasons as described below, as well as due to the circumstances triggering the foregoing, see “*Regulatory Framework — The Concession – Main Concession Terms – Early Termination of the Concession*”. Following any of the events described above, the Airports’ buildings, plant and machinery would revert to the Italian state (*demanio dello Stato*) and compensation would be paid to AdR (see “*Regulatory Framework — The Concession – Main Concession Terms*”). The application of penalties or sanctions for the Group’s non-performance of its obligations or default under the Concession and the Regulatory Framework, or the termination of the Concession, could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes. The foregoing may affect the Issuer’s ability to fulfil its obligations under the Notes.

***Failure to agree on and apply adequate tariff increases under the Concession / Regulatory Framework may result in insufficient remuneration of the Group’s investments and costs.***

The Regulatory Framework introduced a long-term tariff system that attempts to remunerate the Group’s infrastructure investments fairly, based on objective criteria. In particular, the Regulatory Framework provides tariff periods of ten years, divided into five-year sub-periods. For the second five-year sub-period (from 1 March 2017 to 28 February 2021), the real pre-tax weighted average cost of capital (or “**WACC**”) amounted to 8.52 per cent. At the end of each tariff period and sub-period, the Regulatory Framework establishes, *inter alia*, a mechanism to update the basis for setting tariffs, which will be applied in the following period or sub-period. The Regulatory Framework also contemplates the recalculation of tariffs on a yearly basis (in respect of investments made), on a

five-yearly basis (for the assessment of operational costs applied in tariff-setting, as well as in respect of certain other parameters, such as traffic volume forecasts and the real pre-tax WACC relating to the investments made) and on a ten-year basis (which requires the signing of an agreement between the Issuer and ENAC (as defined in “*Business Description of the Issuer — Key Strengths*”), with the issuance of a decree by the Italian Ministry of Infrastructure and Transport, in agreement with the Ministry of Economy and Finance). The level of tariffs applied depends, *inter alia*, on the Group’s actual and projected investments, traffic forecasts and environmental quality and protection improvement targets. The resulting tariffs determined in accordance with the Concession may not be increased in subsequent tariff periods or sub-periods if the Issuer has not met its obligations under the Regulatory Framework. An insufficient tariff increase may affect the Issuer’s ability to fulfil its obligations under the Notes.

***In the event of a termination of the Concession, the compensation payment due to the Group would not necessarily equal the amount the Group would have expected to receive thereunder.***

It cannot be excluded that in the event of (i) revocation of the Concession for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law, (ii) discontinuance upon termination of the Concession (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law or (iii) withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law, the calculation of the amount of compensation payable to AdR could lead to protracted negotiations or litigation regarding the amount of such compensation payment (see “*Regulatory Framework — The Concession – Main Concession Terms – The Compensation Payment*” for further information). Therefore, any of these termination events could result in the Group receiving less than it expects to receive upon a termination event. Such compensation payment may not adequately cover the Group’s investments under the Concession and the Regulatory Framework, may curtail future expected cash flows from the Concession and the amounts that were expected to cover repayment of debt may not be sufficient, which would have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

## **RISKS RELATING TO THE BUSINESS OF THE GROUP**

***The Group’s income could decline as a result of a reduction of air traffic volumes, passengers or other factors outside the Group’s control.***

Under the dual-till model allowed by the Concession, the Group derives its revenues from: (i) aeronautical revenues derived from airport fees and air tariff charges levied on airlines, which are based on the number of passengers, maximum total aircraft weight, aircraft noise levels and the length of time that an aircraft is parked at the airport, in each case, linked to the estimated rate of inflation as published in the Italian Official Gazette (*Gazzetta Ufficiale*); and (ii) non-aeronautical revenues derived primarily from royalties from retail concession fees and car parking (see, *inter alia*, “*Regulatory Framework — The Concession – Main Concession Terms*” and “*Regulatory Framework — The Economic Regulation Agreement (the “ERA”) and the tariffs regulation*” for further information). The amount of both types of revenues primarily depends on air traffic volumes, and therefore reduced air traffic would affect both tariffs and royalties.

Key factors affecting the financial performance and business prospects of AdR, and in particular the income generated through the Airports, include the number and type of passengers and aircrafts using the Airports and the level of demand for air travel.

The air traffic volumes and the number of passengers using the Airports may be affected by several factors, many of which are beyond AdR’s control, including, *inter alia*, (i) domestic and global macroeconomic developments (such as the United Kingdom’s exit from the EU, known as “*Brexit*”), demographic developments, socio-economic developments such as increasing nationalism, protectionism (which could lead to international “trade wars”) and populism, global terrorism threats and political tensions; (ii) competition from other Italian airports, other European airports and other

competing modes of transport, particularly with respect to hub services and the improvement or expansion of existing high-speed rail networks and motorways; (iii) labour unrest of AdR employees, airlines staff and/or air traffic controllers and sector operators; (iv) an increase in airfares due to increased airline costs; (v) developments in the airline industry (such as the creation of new transfer hubs and additional point-to-point flights decreasing the importance of transfer hubs); (vi) decisions by airlines regarding the number, type and capacity of aircraft (including the mix of premium and economy seats), as well as the routes on which particular aircraft are utilised; (vii) the termination or change of the connections to some destinations featuring high passenger traffic; (viii) fluctuations in oil prices; (ix) taxation and emission regulation; (x) global pandemics or other health scares; (xi) disruptions caused by natural disasters; (xii) severe weather conditions at the Airports (e.g. snow, fog, etc.) causing flight cancellations, significant changes to airlines' schedules and possible damage to the Airports' facilities; (xiii) other extraordinary and unforeseeable events such as a fire or service interruption by utility providers (e.g. water, electricity, etc.) or connectivity services, which may affect the normal operation of the Airports and/or any of the aeronautical or non-aeronautical activities carried out in any of them; (xiv) acts of terrorism; (xv) cybersecurity threats; (xvi) changes in domestic or international regulation; (xvii) the quality of services and facilities, including the impact of construction projects; and (xviii) changes in airline ownership/alliance competition.

A reduction in the air traffic volumes or a decrease in the number of passengers using the Airports as a result of any of the abovementioned factors could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

The Group's principal sources of non-aeronautical income include royalties from retail concession fees and car parking, property rental income and income from other commercial services, including advertising and IT. Retail concession fees are driven by passenger numbers and the propensity of passengers to spend in the shops at the Airports. As noted above, there are a variety of factors that could adversely affect the number of passengers using the Airports and their propensity to spend. Levels of retail income at the Airports may also be affected by: changes in the mix of long-haul and short-haul flights; whether passengers have a layover and the length of such layovers; economic factors, including exchange rates and changes in duty free regimes; retail tenant failures; lower retail yields on lease re-negotiations; redevelopments or reconfiguration of retail facilities at the Airports or their reconstruction following extraordinary events such as a fire, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the Group's retail offering; stricter hand luggage and other carry on restrictions; and reduced shopping time as a result of more rigorous and time consuming security procedures. Car parking income could also be reduced as a result of increased competition from other modes of transport to the Airports, such as buses and trains.

Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group is primarily dependent on Alitalia, Fiumicino Airport's hub carrier, and a limited number of other airlines.***

The Group derives a significant portion of its turnover in any given year from a limited number of airlines, primarily Alitalia Società Aerea Italiana S.p.A. in extraordinary administration (*amministrazione straordinaria*) ("**Alitalia**"), Ryanair, Vueling Airlines, the Lufthansa Group (including Lufthansa, Swiss International Airlines, Eurowings and Brussels Airlines), EasyJet, Air France – KLM and Wizz Air. Furthermore, the Group is dependent also on the partners of the Sky Team Alliance to which Alitalia, Fiumicino Airport's hub carrier, is a partner. Consequently, Alitalia and these other airlines have a significant influence on the Group's aviation and commercial activities and on the Group's revenues. In particular, although the passenger traffic share of Alitalia at Fiumicino Airport is progressively decreasing and remains lower than the incidence of the hub carriers in some of the main European airports (Frankfurt 63%, Munich 59%, Paris – Charles De Gaulle 50%, Amsterdam 49%, London – Heathrow 48% - Source: Airport IS – SRS, full year 2018),

any reduction or loss of service by Alitalia would be difficult to replace with another carrier capable of adopting the “hub and spoke” model to cover Alitalia’s passenger traffic, which accounted for approximately 38.8% of Fiumicino Airport’s total passenger traffic and 34.2% of the Rome Airport System’s total passenger traffic during the year ended 31 December 2018 and 28.5% of AdR’s total aviation revenues as at 31 December 2018.

As for other sector operators, the possible decrease or discontinuation of flights by Alitalia and/or any of the other abovementioned carriers for any reason whatsoever including any deterioration of the financial condition of any of these airlines, as in the case of Alitalia as at the date of this Base Prospectus (for further information see “*Business Description of the Group – Recent developments – Update on the Extraordinary Administration Procedure of Alitalia*” and “*Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*” below), could adversely affect passenger and cargo throughput and the volume of air transport at the Rome Airport System.

A reduction in the traffic levels at Fiumicino Airport and Ciampino Airport might also impair the Investment Plan (as defined below), which originally provided for approximately Euro 2.7 billion to be invested by 2021, up to Euro 12 billion by 2044, aimed at the expansion of the current terminals, the construction of an additional runway, the northbound expansion of Fiumicino Airport, and more generally at the capacity and quality improvement of the Rome Airport System. Non-performance by the Issuer of the material terms of the Concession, including, *inter alia*, the performance of the Investment Plan (as defined below), may negatively impact the activity and growth prospects of the Group and its results of operations and financial position and may affect the Issuer’s ability to fulfil its obligations under the Notes.

***Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject.***

Pursuant to a decree of the Italian Minister for Economic Development (*Ministro dello sviluppo economico*) dated 2 May 2017 (the “**Alitalia MED Decree**”), Alitalia was admitted to the extraordinary administration procedure (“*amministrazione straordinaria*”) in compliance with Law Decree No. 347/2003 converted into Law No. 39/2004, as subsequently amended and supplemented (the “**Extraordinary Administration Procedure**”). The Alitalia MED Decree appointed three extraordinary commissioners (the “**Extraordinary Commissioners**”) in charge of the management of the company in the context of the Extraordinary Administration Procedure (for further information, see “*Business Description of the Group – Recent developments – Admission of Alitalia to the Extraordinary Administration Procedure*” below).

On 23 January 2018, the Extraordinary Commissioners filed a plan providing for the liquidation of the assets of Alitalia (the “**Alitalia Plan**”). The Alitalia Plan was approved by the Italian Minister for Economic Development on 23 March 2018. The procedure for the selection of the assets purchaser is currently ongoing, with a deadline for the selected offeror to file its final and binding purchase offer currently set at 15 July 2019, which may be postponed by the Italian Minister for Economic Development.

If it not possible to successfully complete the Extraordinary Administration Procedure and implement the Alitalia Plan, the Extraordinary Administration Procedure may be converted into ordinary bankruptcy proceedings against Alitalia.

As at the date of this Base Prospectus, it is not possible to predict the outcome of the Extraordinary Administration Procedure or what effect it may have on Alitalia’s business operations. However, it is possible that the fact that Alitalia is undergoing an Extraordinary Administration Procedure, and/or the outcome thereof, could have a negative effect on Alitalia’s passenger volumes, which in turn could negatively affect the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

***The Group is exposed to credit risk.***

In conducting its commercial and financial activities, the Group is exposed to the risk that its counterparties including, among others, the main carriers operating at Fiumicino Airport and Ciampino Airport (primarily including Alitalia, Ryanair, Vueling Airlines, the Lufthansa Group (including Lufthansa, Swiss International Airlines, Eurowings and Brussels Airlines), EasyJet, Air France – KLM and Wizz Air) and counterparties performing non-regulated and commercial activities might not be able to promptly and/or fully discharge all or part of their obligations, whether these involve the payment for goods already delivered and services rendered. Notwithstanding the risk management policies applied by the Group (especially in relation to counterparties performing non-regulated and commercial activities), any failure by any significant counterparty of the Group (such as, *inter alia*, the abovementioned airlines) to promptly and/or fully discharge all or part of its obligations could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, it cannot be excluded that the extremely difficult financial conditions of Alitalia might seriously increase the Group's credit risk. With particular reference to the credit risk exposure of the Group *vis-à-vis*, *inter alia*, Alitalia as at 31 December 2018, see also Note 9.3 to the 2018 Consolidated Financial Statements incorporated by reference in this Base Prospectus. Under the rules of the Extraordinary Administration Procedure, AdR's claims *vis-à-vis* Alitalia for aeronautical and other charges for the use of the Rome Airport System facilities accrued prior to 2 May 2017 (amounting to approximately Euro 100 million) are caught by such procedure and therefore the recovery prospects are uncertain (for further information on the admission of Alitalia to the Extraordinary Administration Procedure, see "*Business Description of the Group – Recent developments – Update on the Extraordinary Administration Procedure of Alitalia*" and "*Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*" above).

***The Group may not be able to implement the Investment Plan required under the Regulatory Framework within the agreed timeframe and budget, which may result in penalties and sanctions under the Regulatory Framework.***

The long-term investment plan (the "**Investment Plan**") contained within the Regulatory Framework requires the Group to carry out a number of significant investment projects to expand and improve the Airports. Such investments include, *inter alia*, the (i) development and modernisation of infrastructure at Fiumicino Airport, (ii) the construction and development of a new terminal north of Fiumicino Airport and supporting infrastructure and (iii) the conversion of Ciampino Airport into a city airport to ensure it complies with certain environmental limitations ((i), (ii) and (iii) collectively, the "**Projects**"). For further information on the Investment Plan, see "*Business Description of the Group – The Group's Investment Programme*".

The Group is subject to certain risks inherent in construction projects, which may include, *inter alia*:

- delays in obtaining regulatory approvals for the Projects or the Group's other construction projects (including, but not limited to, environmental requirements and planning approvals at a national and local governmental level);
- delays in obtaining approvals required for tariff increases sufficient to fund the Projects;
- changes in general economic, business and credit conditions;
- the non-performance or unsatisfactory performance by contractors and subcontractors (whether such work is performed by the Group or by third parties);
- the commencement of bankruptcy proceedings involving contractors and subcontractors and reopening of public tender procedures;
- interruption resulting from litigation, inclement weather, revocation of approvals or additional requests from local authorities;

- interruption and delays resulting from unforeseen environmental or engineering problems;
- shortages of materials and labour and increased costs of materials and labour;
- claims from subcontractors; and
- expropriation procedures.

There can be no assurance that the Group's estimates regarding the cost of, and time to complete, the Projects will be accurate, particularly since some of the Projects are in the preliminary stages of planning and have not yet been approved. Consequently, the Group may be subject to cost overruns due to, *inter alia*, unexpected technical or structural issues arising during construction, difficulties in obtaining certain approvals, legal proceedings (in this respect see also "*Business Description of the Group — Legal Proceedings*") and unexpected expenses relating to contractors and subcontractors or to unforeseeable events. Furthermore, ENAC may impose penalties and sanctions on the Group for delays in the implementation of the Investment Plan and, in the event of serious and repeated unjustified delays in the implementation of the Investment Plan, may revoke the Concession (see "*Regulatory Framework — The Concession – Main Concession Terms*" for further information). Therefore, any failure to complete the Projects within the planned timeframe and/or budget (unless, as mentioned above, such targets are reviewed by ENAC and AdR also in light of the traffic level; in this respect, see "*Business Description of the Issuer – Recent Developments – Review of the capital investment and development of North-Fiumicino*" below) could have a material adverse effect on the Group's financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group may encounter difficulties in meeting the timing requirements of the Investment Plan due to unexpected geological, environmental and archaeological issues.***

Italian local, regional and national laws and regulations impose stringent requirements on the planning and implementation of construction works which affect the Investment Plan. For example, Italian environmental laws and regulations require the performance of environmental impact studies during the planning phase of a project. However, during the implementation phase of a project, the Group may face unexpected construction issues that were not discovered during the planning phase of such projects, such as:

- geological instability caused by construction excavations;
- discovery of contaminated soils not identified by the soil analyses conducted during the environmental impact studies; and
- archaeological finds discovered during construction works.

Such unexpected issues may require the Group to carry out certain additional mitigating measures not included in the Investment Plan, which may result in the interruption of, or delays in, construction works. Local authorities may also delay construction works required under the Investment Plan in order to conduct verification procedures.

The Group may be required to obtain new authorisations for any changes to its construction plans. In addition, the Group may be held liable in the event of violations of applicable laws and regulations in connection with its handling of such unexpected issues, and any legal proceedings may result in further construction delays or even the termination of the construction works. There can be no assurance that unexpected geological, environmental and archaeological issues not discovered during the planning phase would not result in cost overruns and delays under the Investment Plan. Although such cost overruns and delays may be accounted for by ENAC under the tariff mechanisms of the Regulatory Framework, the failure to complete the construction projects within the planned timeframe and/or budget set out in the Investment Plan could have a material adverse effect on the Group's

business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***Opposition from local communities and failure to obtain, maintain and comply with governmental consents necessary for the Projects could delay the implementation of the Investment Plan and result in the Airports having insufficient capacity to meet expected future Rome air traffic demands.***

Rome air traffic is expected to increase in the coming years due to demand for leisure and business travel from emerging markets. The implementation of the Investment Plan is necessary to ensure that the Airports have sufficient capacity to meet such expected increase in Rome air traffic demands. Therefore, any failure or delay in implementing the Investment Plan could lead to increased congestion and declining levels of passenger service at the Airports. In order to implement the Investment Plan, the Group must obtain, maintain and comply with all necessary permissions, licenses and consents from public authorities.

The Group may not be able to obtain or maintain such consents due to local residents and communities opposing the Projects or third party infrastructure or public transport improvements to motorways and railways connecting the Airports to the surrounding areas. The Group is also exposed to the risk that certain parts of the Projects could be completed, such as a new terminal, but the third party infrastructure required to service such new terminal could be subject to protracted opposition, rendering the new terminal inaccessible. See also *“The Group is subject to risks associated with the delay or failure of third parties’ construction and improvement of motorways and railways connecting the Group’s airports to the surrounding areas, or the malfunctioning of such public transportation.”* Such opposition, usually based on the grounds that any construction works may generate pollution or otherwise have adverse effects on health and the environment, may take the form of litigation or protests and/or other forms of public opposition to the expropriation of land needed for such works (so-called “not-in-my-backyard” or “NIMBY” protests). The occurrence of NIMBY protests during the approval process of new construction works could lead to increases in investment costs and legal proceedings, which in turn could result in significant delays in implementing the Investment Plan.

If the Group fails to obtain or comply with, or experiences delays in obtaining or complying with, any necessary permissions or consents, or obtains such permissions or consents subject to restrictions or limitations, this could result in the Airports having insufficient capacity to meet expected future Rome air traffic demands, thereby reducing the Group's ability to increase its revenues. This would lead to increased congestion and declining levels of passenger service at the Airports, which may consequently affect the reputation of the Group. Such circumstances could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group is subject to the risk that, even after the implementation of the Investment Plan, the facilities at the Airports may not be adequate to accommodate newer types of aircraft developed in the future.***

Continuous technological developments have affected the aviation sector, and in the recent past, have led to the use of more advanced aircraft models that require adequate airport facilities, particularly for take-off, landing and embarking and disembarking passengers. Such continuous technological development may require further modernisation and expansion of the Airport's facilities that are not envisaged in the Investment Plan. Since the Concession limits the Group's ability to include these additional costs in tariffs charged to airlines, the allocation of necessary funds for the capital investments required for this purpose could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group may be adversely affected by regulations governing the allocation of slots to airlines at the Airports.***

Slots at Italian airports are allocated to airlines by Assoclearance, the Italian Agency for Airport Coordination, without any input from the Group, in accordance with the criteria set out by Council Regulation (EEC) No. 95/93 on common rules for the allocation of slots at Community airports, as amended and implemented (“**Regulation EEC/95/93**”). Regulation EEC/95/93 attempts to reconcile the interests of airlines already operating at an airport with the needs of new airlines that must be guaranteed access to such airport.

In cases of revocation or voluntary surrender of a slot by an airline, Assoclearance reallocates that slot in compliance with the criteria set out by Regulation EEC/95/93. In such cases, there is no guarantee that the slot would be reassigned to an air carrier capable of producing the same air traffic volume as that of the previous carrier. If Assoclearance reallocates one or more slots in favour of an air carrier that produces lower air traffic volumes than those produced by the previous carrier, it may cause other carriers who were not allocated slots to reduce and/or modify their operations at the Airports. Such reallocations could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

***Any failure by the Group to maintain or expand its international routes would adversely affect the Group’s status as an international hub capable of competing with other European international hubs.***

Competition among European airports is increasing and Fiumicino Airport faces intense competition in terms of passengers and cargo from a number of Western European and Middle Eastern airport hubs. With respect to long-haul travel, global airport traffic is expected to grow mainly due to long-haul traffic from outside of the EU, primarily from fast growing markets, such as the Far East, the Middle East and North and South America. In such a competitive environment, the Group has been developing its international network by also increasing its European market with a focus on cities with high development rates. With the increased international traffic at the Airports, the Airports must be in a position to service and expand international routes.

Any failure by the Group to maintain and expand its international routes would adversely affect its status as an international hub capable of competing with other European international hubs, which could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

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

The Group depends on the cooperation of a large number of third parties, including government agencies, local authorities and business partners, to provide essential functions, such as air traffic control, cargo and baggage handling services, customs and border control, re-fuelling, rescue and fire-fighting services, utilities provision and catering. The Group’s business operations and/or reputation may be affected if these service providers do not adequately perform or interrupt performance of the services they are required to provide. This risk is heightened by the condition of Fiumicino, which is undergoing a reorganisation and development phase in accordance with the Concession and the Regulatory Framework, as hub for the reference carriers. Any failure by these third parties to appropriately respond to passenger volumes, accidents, fire, technical defects or failures in IT or data processing may cause flight delays, damage to facilities and the cancellation of airport services. Furthermore, these third parties may experience financial difficulties or become insolvent. Any of these events could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

***The Group's business operations may be affected by reduced levels of service provided by cargo and baggage handling service providers.***

The market for handling services has traditionally been characterised by strong competitiveness and limited margins. The trend of the airport handling sector generally reflects the structure of the air transport market and the risks associated with airlines' strategic choices. Contracts governing relations between handlers and carriers are normally subject to rights of withdrawal that are particularly favourable for carriers. Increased competitive pressure and low margins may affect the standards of quality provided to carriers at the Airports (*i.e.* check-in, boarding and/or baggage reclaim waiting times), which could result in carriers withdrawing from the contracts. Such withdrawal due to issues with handling services could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***Competition from the development or improvement of alternative means of transportation, such as high-speed rail networks and motorways, may decrease air traffic volumes at the Airports.***

The volume of domestic air traffic is adversely affected by the performance and development, on some routes, of alternative means of transportation. Substantially shorter journey times for some types of high-speed rail travel are becoming possible through the expansion of high-speed railway networks and technological advances, which could result in air travel becoming less attractive on domestic routes. Rome is connected to many domestic destinations that can also be reached by high-speed rail and motorways, and the travel time and cost, on certain routes, may be more competitive via these alternative means of transportation. In particular, the Group's most popular domestic route is the Milan-Rome air route, which is now in direct competition with high-speed rail services offered on the same route. Such alternative means of transportation have already caused a reduction in the number of passengers using air travel for domestic routes and may cause a further reduction in air traffic at the Airports. See also "*Business Description of the Group — Competition.*" A decline in air traffic volumes at the Airports could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The United Kingdom's exit from the European Union may affect the Group's business and economic results.***

The United Kingdom ("UK") held a referendum on 23 June 2016 to determine whether the UK should leave the EU or remain as a member state, and the outcome of that referendum was in favour of leaving the EU. Under Article 50 of the 2009 Lisbon Treaty ("**Article 50**"), the UK will cease to be a member state when a withdrawal agreement is entered into, or failing that, two years following the notification of an intention to leave under Article 50, unless the European Council (together with the UK) unanimously decides to extend this period. On 29 March 2017, the UK formally notified the European Council of its intention to leave the EU. The European Council and the UK have currently agreed to delay the withdrawal of the UK from the EU until 31 October 2019.

The outcome of the negotiation of the UK's exit terms is still uncertain, and therefore the impending Brexit has created significant political, social and macroeconomic uncertainty. Brexit could not only affect the European economy as a whole (including air transport trends for both passengers and cargo), but it could also restrict the right of airlines to travel freely between the UK and the EU. All European airlines currently enjoy such freedom, and therefore British airlines can operate from the Republic of Italy to any destination in the EU. The current situation may change after Brexit, which is why it is important for European airports, including Fiumicino and Ciampino, that a new aviation agreement is reached between aviation authorities of the EU and the UK in order to secure free air travel between the EU and the UK.

Until the terms and the timing of the UK's withdrawal from the EU become clearer, it is not possible to determine the impact that the referendum, the UK's departure from the EU and/or any related

matters may have on the business of the Group. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

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

The Group operates in a highly regulated environment at a domestic, European and international level. The Italian airport sector and the Concession are governed by a series of Italian local, regional and national laws and regulations that must also comply with, and be subject to, EU law, which may be more restrictive. As a consequence of a change in law, the Concession may be amended, revised or suspended. No assurance can be given as to the impact of any possible change to the laws and regulations and/or to the Concession. In addition, the Group's activities are subject to a broad range of environmental laws and regulations (including, without limitation, those concerning noise pollution; for further information on noise pollution and noise abatement at Ciampino and the related proceedings pending before the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale del Lazio*), see "*Business Description of the Issuer – noise pollution and noise abatement at Ciampino Airport*" below) enforced by regular governmental audits, the results of which may give rise to claims for damages and/or sanctions, resulting, *inter alia*, in potential damage to the Group's image and reputation.

The cost of complying with such laws and regulations, including health, safety and environmental laws and regulations, could be onerous, and any failure to comply with such laws and regulations could result in the Group being subject to penalties for violations or incurring costs related to implementing mitigating or other measures. Furthermore, such laws and regulations are also susceptible to complex unpredictable developments over which the Group has no control. Compliance with future environmental, health, safety and planning laws and requirements may also be time consuming and interfere further with the Group's existing activities and operations. Moreover, the Group or the airlines that use the Airports may be required to incur additional costs related to implementing such new laws and regulations. For example, since 1 May 2013, the Lazio Region (within which the Airports operate) has imposed a regional tax on aircraft sound emissions (IRESA) to be paid by airlines, which in turn may pass on the additional cost to their passengers, potentially resulting in reduced air traffic at the Airports. Although the tariff increase mechanism in the Concession allows for possible increases in tariffs to compensate for regulatory developments that adversely affect the Group, there can be no assurance that tariffs would be adequately raised to generate sufficient revenues to fund such additional regulatory costs. Therefore, compliance with, changes in, or violations of, such laws and regulations and the introduction of other taxes, similar to the IRESA, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***Airport operation is a complex undertaking that is subject to a number of operational risks that could lead to service interruption at the Airports.***

The Group is exposed to a number of operational risks that could lead to service interruption at the Airports. These operational risks include, *inter alia*, airplane accidents, acts of terrorism, fires (as in the case of the fire which broke out at Terminal 3 of Fiumicino Airport on the night of 6 May 2015), flooding, bird strikes, service interruption by utility providers (*e.g.* water, electricity, etc.) or connectivity services, technical issues, explosions, earthquakes, contagious disease outbreaks, volcanic ash clouds and other forms of inclement weather (*e.g.* snow, fog, etc.). Some of these risks could result in the deaths of passengers or employees and damage to, or destruction of, infrastructure, property and the environment, any of which could affect the normal operation of the Airports and cause significant service interruption at the Airports. More specifically, in common with other airports, there is always the risk of an accident, act of terrorism, or outbreak of a contagious disease (*e.g.*, avian flu, severe acute respiratory syndrome (SARS), foot and mouth disease, or the ebola virus) occurring at or near the Airports. If such an event occurs at the Airports, operations may be

interrupted while such event is investigated and any ensuing damage is repaired. Such event could also affect travel behaviour by reducing passenger traffic to or through Rome for a longer period. Furthermore, any governmental inquiry held to examine the causes of and responses to such event might result in the Group being required to modify or even, in extreme cases, temporarily cease its operations at the Airports, and to potentially incur significant costs. The imposition of additional government-mandated security and other preventative measures at the Airports could also lead to additional limitations on airport capacity or retail space, resulting in overcrowding, increases in operating costs, delays in passenger movement through the Airports and other forms of service interruption.

In addition, air traffic volumes are highly dependent on weather conditions and inclement weather, such as blizzards, strong winds and flooding, may lead to service interruption at the Airports. The Group must also carry out ordinary and extraordinary repairs and maintenance at the Airports, that may involve temporary shut downs of terminals, taxiways and runways and could also lead to a service interruption at the Airports.

The occurrence of any of the service interruption events described above could decrease air traffic volumes and/or cause a temporary inability to operate the Airports' infrastructure and facilities (including shops and retail areas). Such decrease in air traffic volumes and temporary inability to operate infrastructure and facilities could result in a significant decline in revenue from the Airports or a significant increase in expenditure for the operation, maintenance or repair of the Airports. Either result could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes. See "*Business Description of the Group – Insurance*".

#### ***Risks relating to accidents or acts of terrorism.***

Airports are exposed to the risk of accidents or acts of terrorism. If an accident or act of terrorism were to occur at or near Fiumicino Airport and/or Ciampino Airport, operations at the airport may be disrupted for a period of time while the accident or act of terrorism is being investigated and any damage is being repaired. The event could affect traffic levels for a longer period of time as a result of an act of terrorism and the choice of passengers to avoid using the relevant airport(s). In addition, any affected party who has suffered injury or loss as a result of an accident may seek compensation from AdR, and competent public authorities may hold an enquiry into the causes of the accident. Any such claim and/or enquiry could divert the efforts of the management personnel and result in fines or other forms of liability or otherwise damage the Group's reputation.

Any future legislation could result in AdR having to take additional security measures at Fiumicino Airport and/or Ciampino Airport, which could lead to additional limitations on airport capacity or retail space, overcrowding, increases in operating costs and delays to passenger movement through the airport.

Any accident or act of terrorism at or near Fiumicino Airport and/or Ciampino Airport could therefore have a material adverse effect on AdR's business, results of operations, prospects and financial condition and may affect the Issuer's ability to fulfil its obligations under the Notes.

#### ***Risks relating to cyber-crime.***

The Rome Airport System's operations are dependent on its own information technology systems and those of its third party service providers. The Group could be a target of cyber-attacks designed to infiltrate such systems, misappropriate proprietary information and/or cause interruption to its services. The risk of cyber-crime increases especially as infiltrating technology is becoming more sophisticated, and there can be no assurance that AdR will be able to prevent all threats. Any cyber-attacks could impair the Group's ability to operate its business and provide services to its customers, which could negatively affect AdR's reputation and potentially expose it to litigation and liability. If

this happens, the Group's financial condition and results of operations and the Issuer's ability to fulfil its obligations under the Notes could be materially adversely affected.

***Risks relating to the management of the safety of airport operations.***

In the context of operational risk management, the Group has adopted: (i) since 2006, a Safety Management System ("SMS") to ensure that airport airside activities are carried out under specific safety conditions; (ii) a Safety Board consisting of an accountable manager, a safety manager for specific matters and a general safety manager, and (iii) since July 2015, a Safety and Emergency Committee to assess and monitor the initiatives aimed at maintaining and improving safety at the Airports. Although the Group has adopted the SMS and *ad hoc* structures dedicated to addressing issues relating to operational safety, the Issuer cannot exclude the occurrence of events (such as, *inter alia*, airplane accidents, acts of terrorism, fires, flooding, bird strikes, power failures, technical issues, explosions, earthquakes, contagious disease outbreaks, volcanic ash clouds and other forms of inclement weather) that could adversely affect passengers, local residents, employees and the normal operation of the Airports and therefore negatively affect the Group. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

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

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

***The Group is subject to risks associated with the delay or failure of third parties' construction and improvement of motorways and railways connecting the Group's airports to the surrounding areas, or the malfunctioning of such public transportation.***

The Airports' accessibility and geographical location are vital for the growth of the Group's business and the volume of air traffic handled. Improvements to the road and railway networks, which are essential for enhanced accessibility to the Airports and the extension of their geographic coverage, are carried out by third parties, and not by the Group. Such improvements are necessary to implement the Investment Plan and handle the expected subsequent increase in the number of passengers. Delays or failure to implement these improvements to the road and railway networks, as well as the occasional malfunction or interruption of public transport services, operating through such infrastructure, such as during labour unrest, may affect accessibility to the Airports. Any such reduction in accessibility could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group is subject to legal proceedings that could adversely affect its consolidated revenues.***

As part of their ordinary course of business, companies within the Group are subject to a number of administrative, civil and tax proceedings and actions. For example, one or more parties who have suffered a loss as a result of an accident at the Airports may seek compensation from the Group, requiring the Group to incur costs and spend management time defending such claims (see "*Business Description of the Group — Legal Proceedings*" for further information). AdR has made provisions in the 2018 Consolidated Financial Statements for such proceedings. In particular, as at 31 December 2018, the Group had a Euro 24.4 million provision in its financial statements to cover risks and charges.

Notwithstanding the foregoing, the Group has not recorded provisions in respect of all the proceedings to which it is subject. In particular, it has not recorded provisions in cases in which it is not possible to quantify a potential negative outcome and where it currently believes that a negative outcome is not likely or the relevant dispute may be resolved in a satisfactory manner without having a significant impact on it. There can be no assurance that the Group will not be ordered to pay an amount of damages with respect to proceedings for which it has either recorded an insufficient provision, or no provision at all. The foregoing could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes. To the extent that AdR is not successful in some or all of these matters, or in any future legal challenge (including potential class actions or legal proceedings which the Group deems to be without merit or for which its potential liability cannot currently be estimated), the Group's financial condition and results of operations and the Issuer's ability to fulfil its obligations under the Notes could be materially adversely affected.

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

Although the Group holds all risk, accident and civil liability insurance policies, there can be no assurance that these cover all of the liabilities that may arise from third party claims, or from any required reconstruction, or maintenance and operating losses, including costs resulting from damage to the Airports. Insurance policies may not apply if a particular loss is not covered, or is specifically excluded, thereunder, for example as a result of the application of deductibles, cover limits or excess levels, or if an insurer successfully relies on a defence available to it, such as the breach of disclosure obligations or conditions or misrepresentation. Moreover, there can be no assurance that if the insurance policy is terminated or not renewed, a new insurance policy will be available on reasonable commercial terms, or at all. Any failure to obtain or maintain an insurance policy, or to be covered for a loss thereunder, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

***The Group is subject to the risk of labour disputes.***

Although the Group enjoys good relations with its employees, it may however experience strikes, lockouts or other significant work stoppages in the future. The Group's insurance policies do not cover labour unrest, and the Group does not carry business interruption insurance to cover any operating losses it may experience, such as reduced revenue, resulting from work stoppages, strikes or similar industrial actions. In addition, the Group may also be affected by work stoppages of third parties' employees, such as pilots and crew of Italian or international airlines, air traffic control staff, public emergency workers or the Group's subcontractors' workers. For example, to address the issue of fragmented European air space and air traffic control bodies, the EU has introduced measures to harmonise European airspace through the merger of various EU member states' air traffic control bodies. However, air traffic controllers' labour unions, who fear these changes will result in significant job losses, have been engaged in work stoppage actions. Labour unrest involving its own employees and those of third parties could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

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

The Issuer's net indebtedness amounted to Euro 1,168.2 million, as at 31 December 2018, and Euro 1,189.7 million, as at 31 December 2017.

The Issuer's leverage could increase its vulnerability to a downturn in its business or economic and industry conditions and have significant adverse consequences, including but not limited to:

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

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

The Issuer will need to incur additional indebtedness in the future in order, among other things, to refinance its indebtedness (including the Notes) and to finance future working capital, capital expenditure, investment plans, strategic acquisitions, business opportunities and other corporate requirements. The Conditions do not impose any restrictions on the Issuer's ability to incur additional indebtedness, including (subject to Condition 4) any secured debt which ranks prior to the Notes. Any such indebtedness could mature prior to the Notes or, if secured, could be senior to the Notes. The incurrence of additional indebtedness would also increase the aforementioned leverage-related risks.

There can be no assurance that the Group will be able to raise future finance on terms that are economically viable, or at all. Any inability to raise future finance could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is subject to currency and interest rate risk.***

A portion of the Group's indebtedness is denominated in a currency other than Euro (namely, pound sterling) and the Group's exposure to unfavourable fluctuations in exchange rates is hedged through cross-currency swaps. As at 31 December 2018, the Group's overall exchange rate exposure amounted to 17% of the Group's indebtedness.

In order to manage its exposure to unfavourable fluctuations in interest rates, AdR signed (i) on 18 October 2016 three "forward starting" interest rate swap contracts for a total notional amount of Euro 300 million, effective starting from 20 February 2020 for a duration of 10 years, (ii) on 18 September 2017 a "forward starting" interest rate swap contract for a notional amount of Euro 100 million, effective starting from 20 February 2020 for a duration of 10 years and (iii) on 7 August 2018 three "forward starting" interest rate swap contracts for a total notional amount of Euro 300 million, effective starting from 20 February 2022 for a duration of 10 years. Through such interest rate swap contracts the Issuer intends to reduce the risk of (i) misalignment between the return of invested capital and the cost of debt and (ii) rising interest rates in the current extremely volatile market. Unfavourable movements in exchange rates may reduce the Issuer's ability to repay the Notes and its other indebtedness and to finance transactions and future business opportunities.

***Any future credit rating downgrade may impair the Issuer's ability to obtain financing and may significantly increase the Issuer's cost of indebtedness.***

Credit ratings affect the cost of, and other terms upon which the Issuer is able to obtain, financing (or refinancing). Rating agencies regularly evaluate the credit rating of the Issuer and of its debt securities; such evaluations are based on a number of factors, some of which are outside of the Issuer's control. As at the date of this Base Prospectus, the Issuer's long term debt is rated "BBB+" (with a negative outlook) by S&P, "Baa2" (with a negative outlook) by Moody's and "BBB+" (with a negative outlook) by Fitch. S&P, Moody's and Fitch are registered under Regulation (EC) No. 1060/2009 on credit rating agencies of 16 September 2009, as amended. Any downgrade of the Issuer may impede its ability to obtain financing on commercially acceptable terms, or on any terms at all, or interfere with the Issuer's ability to implement its corporate strategy. A negative review of the Issuer's rating might result, *inter alia*, from (i) a weakening or deterioration of its financial and/or liquidity profile, (ii) evidence of inconsistent implementation of the ERA (as defined in the section headed "*Regulatory Framework*" below) or material changes in the terms and conditions of the Concession, or (iii) further negative pressure on the Italian sovereign rating. Furthermore, it cannot be excluded that a negative review of the rating of the Issuer's controlling company, Atlantia S.p.A., might affect the Issuer's rating. Any downgrade of the Republic of Italy's long-term credit rating may also affect the Issuer's credit rating. The occurrence of any of these events could have a material adverse effect on the Issuer's business, financial condition and results of operations and/or could have an adverse effect on the market price of the Notes.

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

### **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 investors. Set out below is a description of the most common such features (but is not intended to be an exhaustive description):

#### *Fixed Rate Notes*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *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.

#### *Floating Rate Notes*

Where the reference rate used to calculate the applicable interest rate turns negative, the interest rate will be below the margin, if any, or may be zero. Accordingly, where the rate of interest is equal to zero, the holders of such Floating Rate Notes may not be entitled to interest payments for certain or all interest periods.

*Risks associated with the reform of LIBOR, EURIBOR and other interest rate ‘benchmarks’*

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

Key international reforms of “benchmarks” include IOSCO’s proposed Principles for Financial Market Benchmarks (July 2013) (the “**IOSCO Benchmark Principles**”) and the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (the “**Benchmark Regulation**”).

On 17 May 2016, the Council of the European Union adopted the Benchmark Regulation, which entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmark Regulation applies from 1 January 2018, except that the regime for ‘critical’ benchmarks has applied since 30 June 2016 and certain amendments to Regulation (EU) No. 596/2014 (the Market Abuse Regulation) have applied from 3 July 2016. The Benchmark Regulation applies to the provision of “benchmarks”, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU. The Benchmark Regulation applies to ‘contributors’, ‘administrators’ and ‘users’ of ‘benchmarks’ in the EU, and, among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain ‘equivalence’ conditions in its local jurisdiction, to be ‘recognised’ by the authorities of a Member State pending an equivalence decision or to be ‘endorsed’ for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of ‘benchmarks’ and (ii) bans the use of ‘benchmarks’ of unauthorised administrators. The scope of the Benchmark Regulation is wide and, in addition to so-called ‘critical benchmark’ indices such as EURIBOR and LIBOR, will apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmark Regulation could have a material impact on Notes linked to a ‘benchmark’ rate or index, including in any of the following circumstances (i) a rate or index which is a ‘benchmark’ could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the ‘equivalence’ conditions, is not ‘recognised’ pending such a decision and is not ‘endorsed’ for such purpose. In such event, depending on the particular ‘benchmark’ and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and (ii) the methodology or other terms of the ‘benchmark’ could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of ‘benchmarks’ could increase the costs and risks of administering or otherwise participating in the setting of a ‘benchmark’ and complying with any such regulations or requirements.

An example of such proposals for benchmark reform was the announcement by the United Kingdom Financial Conduct Authority on 12 July 2018, that the London interbank offered rate (“**LIBOR**”) may cease to be a regulated benchmark under the Benchmark Regulation (the “**FCA Announcement**”). Whilst the FCA Announcement related to LIBOR, similar concerns may be applicable to EURIBOR. The potential elimination of the LIBOR “benchmark” or any other “benchmark”, or changes in the manner of administration of any “benchmark”, could require an

adjustment to the terms and conditions, or result in other consequences, in respect of any Notes referencing such “benchmark”.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain ‘benchmarks’, trigger changes in the rules or methodologies used in certain ‘benchmarks’ or lead to the disappearance of certain ‘benchmarks’. The disappearance of a ‘benchmark’ or changes in the manner of administration of a ‘benchmark’ could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Notes linked to such ‘benchmark’.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a “benchmark”.

Pursuant to the terms and conditions of any applicable Floating Rate Notes or any other Notes whose return is determined by reference to any benchmark, if the Issuer or Calculation Agent determines at any time that the Relevant Screen Page on which the Reference Rate for such Notes appears has been discontinued or following the adoption of a decision to withdraw the authorisation or registration as set out in Article 35 of the Benchmarks Regulation or any other benchmark administrator previously authorised to publish any Replacement Reference Rate under any applicable laws or regulations, the Issuer will appoint a Reference Rate Determination Agent (which may be (i) a leading bank as appointed by the Issuer, (ii) the Issuer or an affiliate of the Issuer (but in which case any such determination shall be made in consultation with an independent financial advisor), (iii) the Calculation Agent (if agreed in writing by the relevant Calculation Agent with the Issuer) or (iv) any other entity which the Issuer considers has the necessary competences to carry out such role) who will determine a Replacement Reference Rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Relevant Screen Page on which the Reference Rate appears. Such Replacement Reference Rate and any such other changes will (in the absence of manifest error) be final and binding on the Noteholders, the Issuer, the Calculation Agent and the Paying Agent and any other person, and will apply to the relevant Notes without any requirement that the Issuer obtain consent of any Noteholders.

The Replacement Reference Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. For example, there are currently proposals to replace LIBOR (which generally has a term of one, three or six months) with an overnight rate. Similarly, proposals have been made to use a rate on highly rated government obligations to replace LIBOR, which is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector. These and other changes could significantly affect the performance of an alternative rate compared to the historical and expected performance of LIBOR or any other relevant benchmark. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the Relevant Screen Page on which appears the Reference Rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Replacement Reference Rate.

If the Reference Rate Determination Agent is unable to determine an appropriate Replacement Reference Rate for any discontinued Reference Rate or a decision to withdraw the authorisation or registration as set out in Article 35 of the Benchmarks Regulation or any other benchmark

administrator previously authorised to publish any Replacement Reference Rate under any applicable laws or regulations is adopted but for any reason a Replacement Reference Rate is not determined, then the provisions for the determination of the rate of interest on the affected Notes will not be changed. In such cases, the Terms and Conditions of the Notes provide that the relevant Interest Rate on such Notes will be the last Reference Rate available for the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent, effectively converting such Notes into fixed rate Notes.

Furthermore, in the event that no Replacement Reference Rate is determined by the Reference Rate Determination Agent and the affected Notes are effectively converted to fixed rate Notes as described above, investors holding such Notes might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes will not benefit from any increase in rates. The trading value of such Notes could therefore be adversely affected.

*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.

*There can be no assurance that Notes issued as “Green Bonds” and the related use of proceeds will be suitable for the investment criteria of an investor seeking securities to be used for a particular purpose*

If so specified in the relevant Final Terms, the Issuer may issue Notes described as “Green Bonds” for the purposes of financing and/or refinancing, in whole or in part, Eligible Green Projects (such term as defined in the “Use of Proceeds” section). In such circumstances, prospective investors should have regard to the information set out, or referred to, under the paragraph “Reasons for the offer – Use of proceeds” of the relevant Final Terms and must determine for themselves the relevance of such information, together with any other investigation such investors deem necessary, for the purpose of any investment in such Notes and its suitability also in light of their own circumstances. In particular, no assurance can be given that the use of such net proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether under any present or future applicable law or regulations or under its own by-laws or other governing rules or investment portfolio mandates.

In connection with the issue of “Green Bonds”, the Issuer may request a specialised consulting firm or rating agency to issue a so-called second-party opinion confirming that the relevant “green” project expected to be financed and/or refinanced by the net proceeds of the “Green Bonds” has been defined in accordance with the broad categorisation of eligibility for green projects set out in the “Green Bond Principles” (“**GBP**”) published by the International Capital Market Association (“**ICMA**”) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability projects (any such second-party opinion, a “**Second-party Opinion**”). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors and other factors that may affect the value of the Notes or the projects financed or refinanced by the relevant net proceeds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant “Green Bonds” and would only be current as of the date it is released. A withdrawal of the Second-party Opinion may affect the value of such “Green Bonds” and/or may have consequences for certain investors with portfolio mandates to invest in green or social assets. Furthermore, prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime

or oversight. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated into and/or form part of the Base Prospectus.

While it is the intention of the Issuer to apply the net proceeds of Notes issued as “Green Bonds” so specified for Eligible Green Projects in, or substantially in, the manner described, or referred to, under the “*Use of Proceeds*” section and the paragraph “*Reasons for the offer – Use of proceeds*” of the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such a manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any Dealer that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid will not constitute an Event of Default under the Notes but may have a material adverse effect on the value of such Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial

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

In making an investment decision, investors must rely on their own independent examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. None of the Arrangers, the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

***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 Notes or the Trust Deed, (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Terms and Conditions of the Notes, provided that in each case in the Trustee's opinion the interests of the Noteholders will not be materially prejudiced thereby.

***Notes may be affected by a proposal relating to Financial Transactions Tax ("FTT").***

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**") for a financial transaction tax ("**FTT**") to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate). If the Commission's Proposal were adopted, the FTT would be a tax primarily on "financial institutions" (which may include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating member state or (ii) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases of securities (such as authorised investments)) if it is

adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise were satisfied and the FTT were adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **FATCA.**

With respect to Notes issued after the date that is six months after the date on which final U.S. Treasury regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register (such applicable date the "**Grandfathering Date**") (and any Notes which are treated as equity for U.S. federal tax purposes, whenever issued), the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30% on all or a portion of payments of principal and interest which are treated as "foreign passthru payments" made on or after 1 January 2019 to an investor or any other non U.S. financial institution through which payment on the Notes is made that is not in compliance with FATCA. As of the date of this Base Prospectus, final U.S. Treasury regulations defining the term "foreign passthru payments" have not been filed with the U.S. Federal Register. If the Issuer issues further Notes after the Grandfathering Date that were originally issued on or before the Grandfathering Date, payments on such further Notes may be subject to withholding under FATCA and, should the originally issued Notes of that series and the further Notes be indistinguishable (as would likely be the case in such a "tap" issue), such payments on the originally issued Notes may also become subject to withholding under FATCA, unless such further Notes are issued pursuant to a "qualified reopening" for U.S. federal income tax purposes.

The United States and Italy have entered into a Model 1 intergovernmental agreement to implement FATCA (the "**Italian IGA**"). Under the Italian IGA, an entity classified as a non U.S. financial institution (an "**FFI**") that is treated as resident in Italy is expected to provide the Italian tax authorities with certain information on certain U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the U.S. taxing authorities. The Issuer is classified as an FFI and provided it complies with the requirements of the Italian IGA and the Italian legislation implementing the Italian IGA, it should not be subject to FATCA withholding on any payments it receives and it is not currently required to withhold tax on any "foreign passthru payments" that it makes. Although the Issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Italian IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax.

### ***Change of law.***

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

### ***Notes subject to optional redemption by the Issuer.***

If in the case of any particular Tranche of the Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option pursuant to Condition 6(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*), the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low.

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. Further, during any period in which there is an actual or perceived increase in the likelihood that the Issuer may redeem the Notes, the price of the Notes may also be adversely impacted. This also may be true prior to any redemption period.

The Issuer may elect to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. See "*The Issuer may redeem the Notes prior to maturity and investors may be unable to reinvest the proceeds of any such redemption in comparable securities*".

### ***The Issuer may redeem the Notes prior to maturity and investors 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 specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or 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 specify 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 (see also "*Notes subject to optional redemption by the Issuer*" above). In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

In addition, with respect to the Clean-up Call Option (Condition 6(f)), there is no obligation on the Issuer to inform investors if and when 80 per cent. or more of original aggregate principal amount of the relevant Tranche of Notes has been redeemed or is about to be redeemed, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call Option the Notes may have been trading significantly above par, thus potentially resulting in a loss.

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

Notes issued under the Programme may be represented by one or more Global Notes, 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, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. 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.

***Notes where denominations involve integral multiples: Definitive Notes.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If Definitive Notes are issued, investors 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.

***Conflicts of interest – Calculation Agent.***

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

## **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.*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Furthermore, Notes issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Notes may be adversely affected. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

*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. 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, investors may receive less interest or principal than expected, or no interest or principal.

*Credit ratings may not reflect all risks.*

One or more independent credit rating agencies may assign credit ratings to the 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. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Issuer from time to time or to other Notes issued under the Programme. 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, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant

credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

**Legal investment considerations may restrict certain investments.**

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

## INCORPORATION BY REFERENCE

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

- (a) the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2017 (the “**2017 Consolidated Financial Statements**”) with the accompanying auditors’ report (available at: <http://www.adr.it/web/aeroporti-di-roma-en-/financial-reports/>); and
- (b) the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018 (the “**2018 Consolidated Financial Statements**”) with the accompanying auditors’ report (available at: <http://www.adr.it/web/aeroporti-di-roma-en-/financial-reports/>).

Copies of the documents incorporated by reference may be inspected free of charge at the specified offices of the relevant paying agents and on the Issuer’s web site at the links provided above.

### Cross-reference lists

The following information from the financial statements of the Issuer is incorporated by reference in this Base Prospectus, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated.

	<u>As at 31 December 2017</u>
<b>Audited consolidated annual financial statements of the Issuer</b>	
Consolidated statement of financial position .....	Pages 116-117
Consolidated income statement .....	Page 118
Consolidated statement of comprehensive income .....	Page 119
Statement of changes in consolidated equity .....	Page 120
Consolidated statement of cash flows .....	Page 121
Notes to the consolidated financial statements .....	Pages 122-189
Annexes .....	Page 190-191
Auditors’ report .....	Pages 192-196
Sustainability section .....	Pages 72-98
Updates and changes to the reference regulatory framework.....	Pages 100-104
Inter-company relations and transactions with related parties .....	Page 105

	<u>As at 31 December 2018</u>
<b>Audited consolidated annual financial statements of the Issuer</b>	
Consolidated statement of financial position .....	Pages 126-127
Consolidated income statement .....	Page 128
Consolidated statement of comprehensive income .....	Page 129
Statement of changes in consolidated equity .....	Page 130
Consolidated statement of cash flows .....	Page 131
Notes to the consolidated financial statements .....	Pages 132-202
Annexes .....	Pages 203-204
Auditors’ report .....	Pages 205-210
Sustainability section .....	Pages 81-108
Updates and changes to the reference regulatory framework.....	Pages 110-112
Inter-company relations and transactions with related parties .....	Page 113

Any information not listed in the cross-reference table above but included in the documents incorporated by reference in this Base Prospectus is provided for information purposes only.

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 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 Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Any statement contained in this Base Prospectus 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 Base Prospectus. References to this Base Prospectus shall be taken to mean this document.

## USE OF PROCEEDS

Unless indicated otherwise in the applicable Final Terms, an amount equal to the net proceeds from each issue of Notes will be allocated by the Issuer for its general corporate purposes, including, without limitation, capital expenditures and investments in accordance with the Regulatory Framework.

Only Tranches of Notes financing or refinancing Eligible Green Projects will be denominated “Green Bonds”. For these purposes, “**Eligible Green Projects**” will be defined in accordance with the broad categorisation of eligibility for Green Projects set out in the “Green Bond Principles” (“**GBP**”) published by the International Capital Market Association (“**ICMA**”), as will be further specified under a “Green Financing Framework” or analogous document to be published, if any, on the Issuer’s website ([www.adr.it](http://www.adr.it)) and in the applicable Final Terms under “*Reasons for the Offer – Use of proceeds*”.

## THE ISSUER

### **Aeroporti di Roma**

#### ***General***

On 12 February 1974, Aeroporti di Roma S.p.A. was incorporated as a joint stock company (*società per azioni*) under the laws of Italy and became the exclusive concessionaire for the management and development of the Rome airport system.

Upon the privatisation of Aeroporti di Roma S.p.A., on 31 July 2000, Leonardo S.p.A. (a company vehicle established for the purpose of acquiring holdings in airport management companies) acquired 51.148% of the share capital of Aeroporti di Roma S.p.A. from IRI S.p.A. (now Fintecna S.p.A.). This equity investment was increased to 95.860% following the public offerings (obligatory and residual) launched by Leonardo S.p.A. (the current AdR) to acquire the remaining shares of Aeroporti di Roma S.p.A., pursuant to the then applicable provisions of Legislative Decree No. 58 of 24 February 1998. Following the completion of the offering in 2001, the shares of Aeroporti di Roma S.p.A. were delisted from the Italian Stock Exchange and Aeroporti di Roma S.p.A. was merged into Leonardo S.p.A. on 21 May 2001, with Leonardo S.p.A. changing its name to Aeroporti di Roma S.p.A. (the current AdR). See “*Business Description of the Group — History and Development*” and “*Corporate Governance — Shareholders*” for further information on the history of AdR as well as its shareholders.

Pursuant to AdR’s by-laws, the corporate purpose of AdR is the construction and operation of airports or parts thereof, as well as the operation of any activity associated with or complementary to air traffic of any kind or specialty.

AdR’s corporate purpose also includes the management of the Rome airport system (Fiumicino and Ciampino) pursuant to law No. 755 of 10 November 1973 (as subsequently amended), as well as the management of other airports or airport systems; the design and construction of infrastructure and modernisation, maintenance, innovation, completion and enlargement works regarding the Rome airport system and other airports, and the relevant appurtenances; the management of airport services, as well as of other services associated with or useful for the operation of the Rome airport system and of other airports, including through contracts or sub-concessions; the provision of consulting services to third parties on matters relating to airport systems; the incorporation of companies and entities, with a similar or like business, or in any case associated with its own business, as well as the acquisition and disposal of stakes in the same companies and entities deemed useful for the achievement of the corporate object; the creation of any security interest, including collateral, in favour of third parties, and in general any commercial, industrial, financial, security or real estate transaction, also secured by security interest, that may be deemed necessary or desirable for the achievement of its corporate purpose. The aforesaid activities may be performed both in Italy and abroad.

#### ***Share Capital***

The authorised and subscribed share capital of AdR as at 31 December 2018 was Euro 62,224,743.00 fully-paid up, divided into 62,224,743 registered, ordinary shares with a nominal value of Euro 1.00 each. See also “*Capitalisation and Indebtedness*”.

As at the date of this Base Prospectus, Atlantia S.p.A. holds 99.384 % of the capital stock of AdR. For further information on the share capital and control of AdR, see “*Corporate Governance — Shareholders*”.

#### ***Registered Office***

The registered office of AdR is at Via Pier Paolo Racchetti, 1, 00054 Fiumicino (RM), Italy and its main telephone number is +39 06 65951.

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

The current Board of Directors (*Consiglio di Amministrazione*) of AdR was appointed by a resolution of AdR's shareholders' meeting held on 16 April 2019, and will hold office until the shareholders' meeting called for the purpose of approving AdR's financial statements for the year ending 31 December 2021. 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 Board of Directors comprises thirteen members (one of which will be jointly appointed by the Municipality of Rome and the Municipality of Fiumicino). See "*Corporate Governance — The Board of Directors*" for further information on the composition of the Board of Directors of AdR.

For the purposes of their function as members of the Board of Directors of AdR, the business address of each of the members of the Board of Directors is the registered office of AdR.

### ***Board of Statutory Auditors***

The current Board of Statutory Auditors (*Collegio Sindacale*) of AdR was appointed by a resolution at the AdR's shareholders' meeting held on 16 April 2019. The Board of Statutory Auditors will hold office until the shareholders' meeting called for the purpose of approving AdR's financial statements for the year ending 31 December 2021. The current Board of Statutory Auditors is composed of five members and two alternate auditors. See "*Corporate Governance — The Board of Statutory Auditors*" for further information.

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

### ***Financial Statements***

AdR's financial year ends on 31 December of each calendar year. AdR is required under Italian law to publish annual reports. Copies of the latest audited annual report, audited annual consolidated financial statements, unaudited semi-annual financial statements and unaudited semi-annual consolidated financial statements of AdR 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 AdR, in each case free of charge.

### ***Business***

AdR's principal activity consists of managing Fiumicino and Ciampino airports.

### ***Organisational Structure***

See "*Business Description of the Group*" for further information on the organisational structure and principal activity of AdR and the Group.

## BUSINESS DESCRIPTION OF THE GROUP

### Overview

AdR manages the Rome airport system pursuant to a concession granted by the Italian *Ministero delle infrastrutture e dei trasporti* (the “**Ministry of Infrastructure and Transportation**”, or the “**MIT**”) and expiring on 30 June 2044 (the “**Concession**”). For further information on the Concession see “*Regulatory Framework*” below.

The Rome airport system (the “**Rome Airport System**”) consists of (i) the “Leonardo da Vinci” international airport, located in Fiumicino, Rome (“**Fiumicino Airport**” or “**Fiumicino**”) and (ii) the “Giovanni Battista Pastine” airport located in Ciampino, Rome (“**Ciampino Airport**” or “**Ciampino**”) and together with Fiumicino, the “**Airports**”).

The Rome Airport System is the leading airport infrastructure system in Italy in terms of passenger traffic, serving 48.8 million passengers in the year ended 31 December 2018 with over 230 destinations worldwide and approximately 100 airlines operating at the Airports. Fiumicino and Ciampino are the only commercial airports serving the Rome metropolitan area and the Lazio Region and, as such, benefit from a large catchment area which includes approximately 12 million people. The Airports are also well connected to the main cities in central Italy.

In particular, Fiumicino Airport is the largest airport in Italy and constitutes an essential link for the movement of goods and people throughout Italy and Europe. Fiumicino Airport mainly serves carriers operating scheduled flights to domestic and international destinations. In recent years, traffic growth at Fiumicino Airport has primarily been due to international flights and, during 2018, the airport attracted 43 million passengers. In 2018, approximately 100 airlines flew from Fiumicino to more than 200 destinations worldwide. Furthermore, Fiumicino is capable of handling new very large wide body aircraft, such as the Airbus A380. On the other hand, Ciampino Airport mainly serves low-cost carriers, charter flights, express couriers and private jets. Ciampino Airport also serves official aeronautical activities of the Italian government and the Italian Air Force and the Italian State is entitled to use the infrastructure of Ciampino Airport. In 2018, Ciampino Airport welcomed 5.8 million passengers connecting Rome to approximately 60 destinations. For a more detailed description of the Airports, see “*Business Description of the Group — Infrastructure*”, below.

AdR generates revenues from the following business segments:

- the aeronautical business, which includes regulated activities directly connected with the management and operation of the Airports, but excludes ground handling activities; and
- the non-aeronautical business, which includes real estate activities and commercial activities (such as, *inter alia*, travel retail, car parks, advertising and food and beverage businesses).

The total revenues of the Group for the years ended 31 December 2018 and 2017 amounted to Euro 1,045.1 million and Euro 1,011.4 million, respectively, and the net profits for the same periods amounted to Euro 246.2 million and Euro 245.0 million, respectively. The Group’s EBITDA as at 31 December 2018 amounted to Euro 577.3 million compared to Euro 544.0 million for the previous year, recording a 6.1% increase.

For further information regarding AdR’s revenues derived from the aeronautical and non-aeronautical businesses, see “*Business Description of the Group — Business Activities and Revenue Generation*” below.

### The 2018 financial year in brief and recognition at an international level

In 2018, the Group recorded a growth in terms of traffic volumes, with approximately 49 million passengers traveling through the Airports (the best performance recorded to date), up 4.2% compared to the previous year. Fiumicino recorded a 4.9% increase in traffic volumes, whilst Ciampino’s traffic

volumes were essentially in line with 2017 due to the operational constraints imposed on such airport by applicable regulations.

The growth in traffic was driven by the development of the international segment, resulting in particular from the increase in the number of flights to and from non-EU destinations, which, compared to 2017, recorded a 14.0% increase in the number of passengers. For the first time ever, in 2018 traffic volumes to non-EU destinations were greater than traffic volumes of domestic flights. Such data confirms that Rome remains a very attractive destination and validates the Group's strategy of targeting constant development and introducing new routes to and from the main global destinations. Furthermore, in 2018 Fiumicino maintained its position as one of the leading European airports with direct flights to and from China.

Despite the traffic increase, results for 2018 show a further improvement of the service levels reached in 2017 in terms of quality perceived by passengers and quality provided. Such improvement was recognised at an international level in 2018 through the granting of the "2018 Best Airport Award" to Fiumicino by the Airports Council International (ACI) (as compared against other airports with traffic volumes exceeding 25 million passengers), and of other awards by Skytrax ("*World's Most Improved Airport*" and "*4 Star Airport*") and ACI ("*Airport Service Quality Award*") which recognise Fiumicino as a top-ranked airport for the quality of services offered to passengers.

Such achievements were obtained thanks to an ongoing pursuit of airport service improvement and a constant commitment to implement the investment plan of the Rome Airport System. In 2018, the Group made investments of about Euro 182 million, mainly relating to the continuation of works at the new "Pier A" and the front building of Terminal 1, as part of the initial phase of development of the new "East Terminal" area, and with respect to the development of airside capacity, the continuation of construction works relating to 300 aprons servicing the new "Boarding Area A", and works for the construction of new aprons in the "Second Phase West".

With respect to landside connectivity, at the end of 2018 AdR entered into an agreement with Anas S.p.A. and ENAC to create the motorway exit in the east area of Fiumicino. Under the contract, AdR must carry out expropriation activities and complete the work by 2020, based on the executive design.

With respect to intermodality development, in 2016 AdR entered into an agreement with the Ferrovie dello Stato Italiane group to expand and modernise the railway station at Fiumicino Airport. The daily high speed train connections to Fiumicino were increased to three and the daily connections of the "Leonardo Express" shuttle which connects Fiumicino airport to Termini station in central Rome were increased from 110 to 126. In addition, the agreement between Trenitalia S.p.A. and Emirates for the sale of combined train and airplane tickets via Fiumicino in the world-wide booking systems was particularly significant for the Group.

The positive results recorded in 2018 in terms of traffic development, quality of service provided and investments in infrastructure, together with its positive financial and economic performance, demonstrated the Group's ability to tackle future commitments based on a creditworthiness that is in line with that of leading European companies in the airport industry.

## **History and Development**

### ***Incorporation of Aeroporti di Roma***

Ciampino Airport was opened in 1916 to serve both civilian and military purposes and remained the only airport serving the Rome area until the opening of Fiumicino Airport on 15 January 1961.

Italian law No. 755 of 10 November 1973 ("**Law No. 755/73**") established the Rome Airport System providing that its management be assigned for a 35-year period (*i.e.*, from 1 July 1974 through 30 June 2009) to a company whose majority ownership was to be held, directly or indirectly, by the Istituto per la Ricostruzione Industriale ("**IRI**"). On 12 February 1974, IRI incorporated "*Aeroporti di Roma*" - *Società per la gestione del sistema aeroportuale della Capitale S.p.A.* (the "**Former AdR**").

### ***The Original Concession***

On 26 June 1974, the Former AdR and the MIT entered into the *Convenzione per la gestione unitaria del sistema aeroportuale della Capitale costituito dall'aeroporto intercontinentale "Leonardo da Vinci" di Roma - Fiumicino e dall'aeroporto di Ciampino* (the "**Original Concession**"). The Original Concession entered into full force and effect on 1 July 1974 and set out the terms and conditions for the management and operation of the Rome Airport System.

The initial term of the Concession was subsequently extended until 30 June 2044 by Article 14, paragraph 3, of Italian law decree No. 333 of 11 July 1992, amended and converted into Italian law No. 359 of 8 August 1992, as interpreted by Article 10, paragraph 1, of Italian law No. 57 of 5 March 2001.

### ***The privatisation of Aeroporti di Roma***

On 25 February 1999, a decree issued by the Italian prime minister set out the procedure for the privatisation of the Former AdR, pursuant to which the shareholding held by the Italian government through IRI and its subsidiaries (equal to 54.2% of Former AdR's share capital) was disposed of as follows:

- (i) a portion equal to 3% of the Former AdR's share capital was sold to the Lazio Region, the Province and the Municipality of Rome and the Municipality of Fiumicino; and
- (ii) the remaining 51.2% of the Former AdR's share capital indirectly held by the Italian government was sold to Italtipetroli S.p.A., Falck S.p.A., Gemina S.p.A. and Impregilo S.p.A. (collectively, the "**Private Shareholders**"), as described below.

On 23 June 2000, the Private Shareholders acquired the right to buy from IRI 51.2% of the ordinary shares of the Former AdR (the "**IRI Shares**"). On 17 July 2000, the Private Shareholders designated Leonardo S.p.A. ("**Leonardo**") as the purchaser of the IRI Shares. The share capital of Leonardo was entirely owned by Leonardo Holding S.A., a company incorporated under the laws of the Grand Duchy of Luxembourg whose share capital was divided as follows: 16% was held by Compagnia Italtipetroli S.p.A., 31% by Falck S.p.A., 42% by Gemina S.p.A. and 11% by Impregilo S.p.A.

In the last quarter of 2000, Leonardo launched a mandatory tender offer for the outstanding shares of Former AdR. As a result of these transactions, in 2001, Leonardo held 95.9% of the Former AdR's share capital and the shares of the Former AdR were delisted.

On 13 March 2001, the board of directors of each of Leonardo and the Former AdR approved the proposed merger (by incorporation of the Former AdR into Leonardo), and Leonardo was renamed Aeroporti di Roma S.p.A. (the current AdR).

### ***The Regulatory Framework***

In December 2012, AdR entered into, and the Rome Airport System became governed by, the Concession, which replaces and supersedes the Original Concession.

The Concession provides that AdR: (i) is entitled to an increase in passenger tariffs, applied from 9 March 2013 (by approximately Euro 10 to Euro 26 per passenger in 2013, as average unit revenue from all regulated services), with annual increases implemented from 2014 onwards, and (ii) is required to implement an investment plan (originally providing for investments of approximately Euro 3 billion by 2021 and Euro 12 billion by 2044<sup>1</sup>) in order to develop the Airports' infrastructure and increase the capacity and quality of the Rome Airport System.

For risks relating to the Regulatory Framework, see "*Risk Factors — Risks Relating to the*

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<sup>(1)</sup> Source: Schedule 2 of the Economic Regulation Agreement.

*Concession*". For a detailed description of the Regulatory Framework which, in addition to the provisions governing the management of the Rome Airport System and the economic regulation and the new tariff system, provides for (a) new detailed rules on the rights and obligations of AdR, (b) a revised investment plan and (c) a new formula for tariffs and tariff adjustments, see "*Regulatory Framework*", below.

### ***AdR enters into the Atlantia Group***

As of 1 December 2013, the date on which the merger by way of incorporation of Gemina S.p.A. (the previous majority shareholder of the Issuer) into Atlantia became effective, Atlantia became the controlling shareholder of AdR.

### **Key Strengths**

#### ***Strategically advantageous location***

Given Rome's central position within Italy, the Rome Airport System serves a very large catchment area.

Rome is the largest city in Italy, with a population of over 3 million people and a higher than average income per capita with respect to the rest of Italy: these two elements, combined with the countless historical and cultural treasures offered by the city, represent an excellent basis for operating new flights to any destination.

Rome is among the principal travel destinations on an international level: in 2018, it received over 18 million international visitors, an increase of almost 3.4% compared to the previous year<sup>2</sup>.

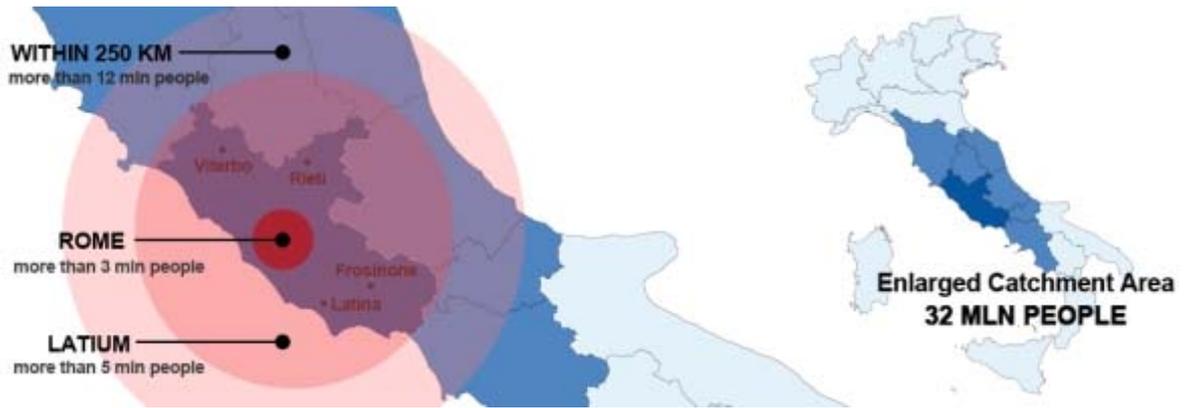
Rome is not only a tourist destination, but, as the Italian political centre, it is also the seat of the Italian Government, foreign embassies and the headquarters of many leading multinational corporations with business activities in Italy. Additionally, the Vatican City, the centre of Roman Catholicism and one of the most sought after destinations in global religious and secular tourism, is located in Rome.

The potential catchment population of the Rome Airport System is equal to approximately 12 million people within a radius of about 250 km around Rome. In addition, in the absence of any other major local airport hub in the territory for long-haul flights, the catchment area served by Fiumicino is even greater, covering a population of about 32 million people and including central-southern Italy and the Tyrrhenian islands. Fiumicino serves flight connections all over Italy, reaching approximately 24 destinations.

Furthermore, due to their geographic position and thanks to efficient and extensive road, motorway and rail connections (with a station at Fiumicino airport), the Airports are easily accessible from all of the main cities in central Italy.

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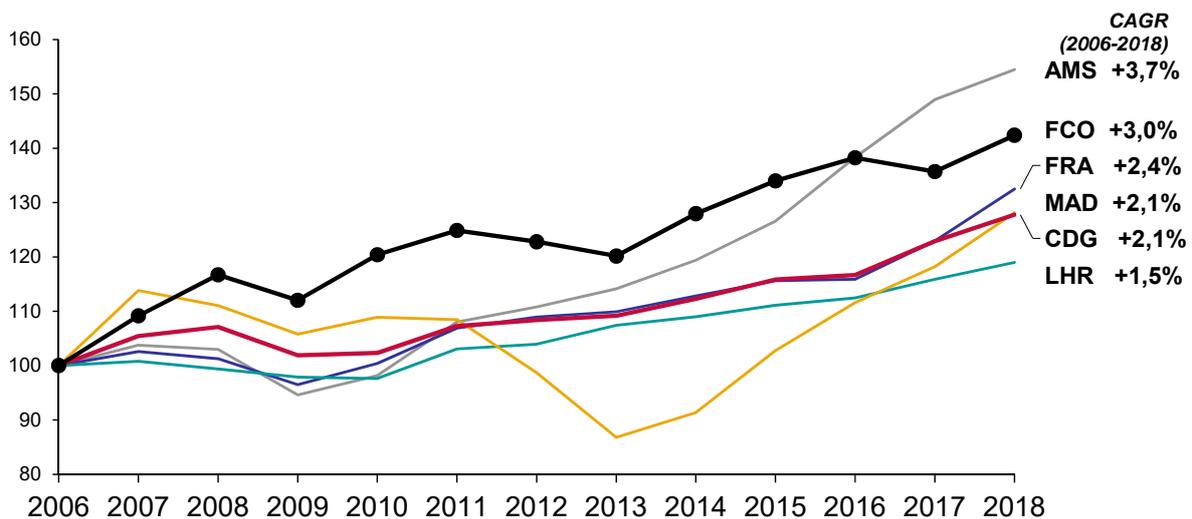
<sup>(2)</sup> Source: *Rome Tourism Board*.



### Traffic resilience

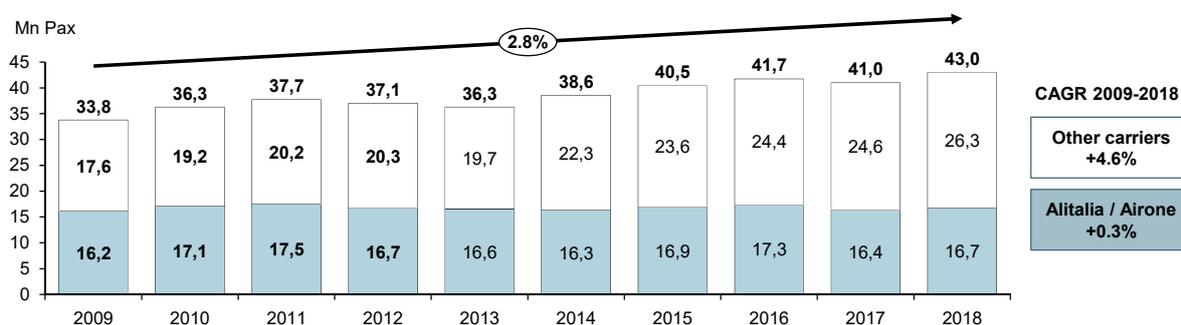
The Rome Airport System has proven to be relatively resilient to global traffic shocks, including major economic downturns. As shown below, in the 2006-2018 period, Fiumicino outperformed most of its five main competitors in the European airport sector in terms of passenger traffic (namely, London Heathrow, Paris Charles De Gaulle, Amsterdam Schiphol, Frankfurt and Madrid Barajas).

*Passenger traffic – Fiumicino vs. Top 5 EU airports (2006=base 100 and CAGR)*



Leveraging on its geographical location and its proximity to Rome, Fiumicino enjoys passenger traffic driven largely by market demand, rather than by available capacity. In spite of the relative weakness of Italy's main domestic carrier, Alitalia, Fiumicino's location, combined with the robust performance of foreign carriers, has enabled it to enjoy consistent growth in previous years. Indeed, over the last 10 years Fiumicino's growth was substantially generated by carriers other than Alitalia, which recorded substantially flat volumes over the period, as shown below.

### Fiumicino Passenger traffic – Alitalia / AirOne<sup>3</sup> vs. Other Carriers



Source: AdR internal data and analysis

### Diversified income sources

AdR earns income from a variety of sources including, but not limited to, charges paid by airlines for aeronautical services, revenues from retail and food & beverage operators, revenues from car parks and advertising activities, as well as leases of the Airports premises.

The Rome Airport System serves a wide range of airlines, including, but not limited to, Alitalia (which is the main carrier), Ryanair, Vueling Airlines, the Lufthansa Group<sup>4</sup>, EasyJet, Air France-KLM and Wizz Air<sup>5</sup>. Fiumicino and Ciampino serve a range of market segments, including: (i) business and leisure travellers, (ii) origin & destination and transfer passengers; (iii) long and short haul routes; and (iv) full-cost, low-cost and charter carriers. For further information on the main airlines, see also “Risk Factors — The Group is primarily dependent on Alitalia, Fiumicino Airport’s hub carrier, and a limited number of other airlines”.

The Rome Airport System serves over 200 destinations, with significant market diversification: based on traffic volumes for the year ended 31 December 2018, domestic, European and extra-European destinations accounted for 26%, 50% and 24% of the total, respectively.

A significant portion of the AdR customer base originates outside of Italy, therefore reducing the exposure to the local economy.

### Non-aeronautical business potential value

At airports such as Fiumicino, revenues from non-aeronautical activities represent a significant part of total revenues (28% of the total amount of aeronautical and non-aeronautical revenues in 2018, substantially in line with 2017) but producing higher profit margins than aeronautical revenues.

AdR has greater market potential in retail activities when compared with other airports with a similar traffic mix; furthermore, such market potential is expected to be sustained by an increase in high-spending passengers as set out in AdR’s business development plan which includes a focus on optimising retail layouts and leveraging luxury brands. In this regard, AdR sold its direct retail business activities to LS Travel Retail Roma S.r.l. (a company of the Lagardère Services group) in 2012. As a result, AdR has shifted from direct management of retail outlets to outsourcing such activities and collecting royalties based on turnover. See also “Business Description of the Group — The AdR Group — Business Portfolio Model” and “Business Description of the Group — Business

<sup>(3)</sup> AirOne was Alitalia’s smart carrier subsidiary.

<sup>(4)</sup> Including Swiss, Eurowings and Brussels Airlines

<sup>(5)</sup> Carriers flying more than 1 million passengers per year in the Rome Airport System.

*Activities and Revenue Generation — Non-aeronautical activities”* below.

The real estate activities also show growth potential based on the increased demand expected from the expansion of Fiumicino airport (captive) and new demand (non-captive) by attracting activities currently established in the area surrounding Fiumicino.

The potential value of other non-aeronautical businesses (such as the car parking and the advertising businesses) is still primarily linked to the increase in traffic volume and the execution of the development plans that AdR intends to implement (either alone or with the involvement of third parties) to maximise the business profitability of such activities.

Since December 2016, new Departure Area E has gradually opened, a 130,000 square metre area, of which approximately 60% is open to the public. The better performance of commercial activities recorded in 2018 is mainly due to the new “Front Building” commercial space in the extra-Schengen area, which in the first half of 2017 was not yet completely operational, together with the new Pier E and the related call-forward system.

### ***Stable and favourable Regulatory Framework***

The Concession and the ERA (Economic Regulation Agreement) included in the Regulatory Framework (each as defined in the section headed “*Regulatory Framework*”, below) signed by AdR and *Ente Nazionale per l’Aviazione Civile* (“ENAC”), the Italian Civil Aviation Authority, on 25 October 2012 and approved by the Italian prime minister on 21 December 2012, defines a coordinated set of clear, transparent and stable rules, valid until the end of the concession period, which aim to allow AdR to pursue its development plan and access the capital markets.

The main features of the Regulatory Framework are:

- The central role of the investment plan to expand capacity and enhance service level in line with world class standards;
- A new tariff scheme includes the following:
  - a regulatory asset base (RAB) model, with respect to the regulated aeronautical activities;
  - a pure “dual till” model, with respect to the non-aeronautical activities;
  - mechanisms to reward efficiency and quality achievements;
  - costs that guarantee and protect the return on capital;
  - a simplified pricing system through service bundling;
- Effective risk management to address deviations from traffic projections and unfavourable external events; and
- Clarification of the rights and obligations of AdR, as concessionaire, and MIT/ENAC, as competent supervisory authorities, under certain circumstances, including issues potentially leading to an early termination.

For further information on the Regulatory Framework, see “*Regulatory Framework*” and for risks relating to the Regulatory Framework, see “*Risk Factors — Risks Relating to the Concession*”.

### **Business Strategy**

AdR’s strategy is to strengthen its competitive position by efficiently managing the Rome Airport System offering high quality services and safety standards, which should allow AdR to promptly respond to growing traffic volumes.

In the medium to long term, AdR aims to achieve a leadership position among the European airports, in order to become a key player in terms of size and value creation for shareholders. The main goals of AdR are to:

- be among the leading airports in Europe in terms of the volume of passenger traffic and overall airport experience;
- be the primary gateway to Italy and a leading hub for Southern Europe;
- provide a world-class level of service, benchmarked globally;
- support the sustained development of Italy by facilitating trade and tourism;
- serve as an engine for economic growth for the Lazio Region and Italy as a whole;
- provide a reasonable return on capital and ensure sustained value creation for its shareholders; and
- implement a conservative financial policy.

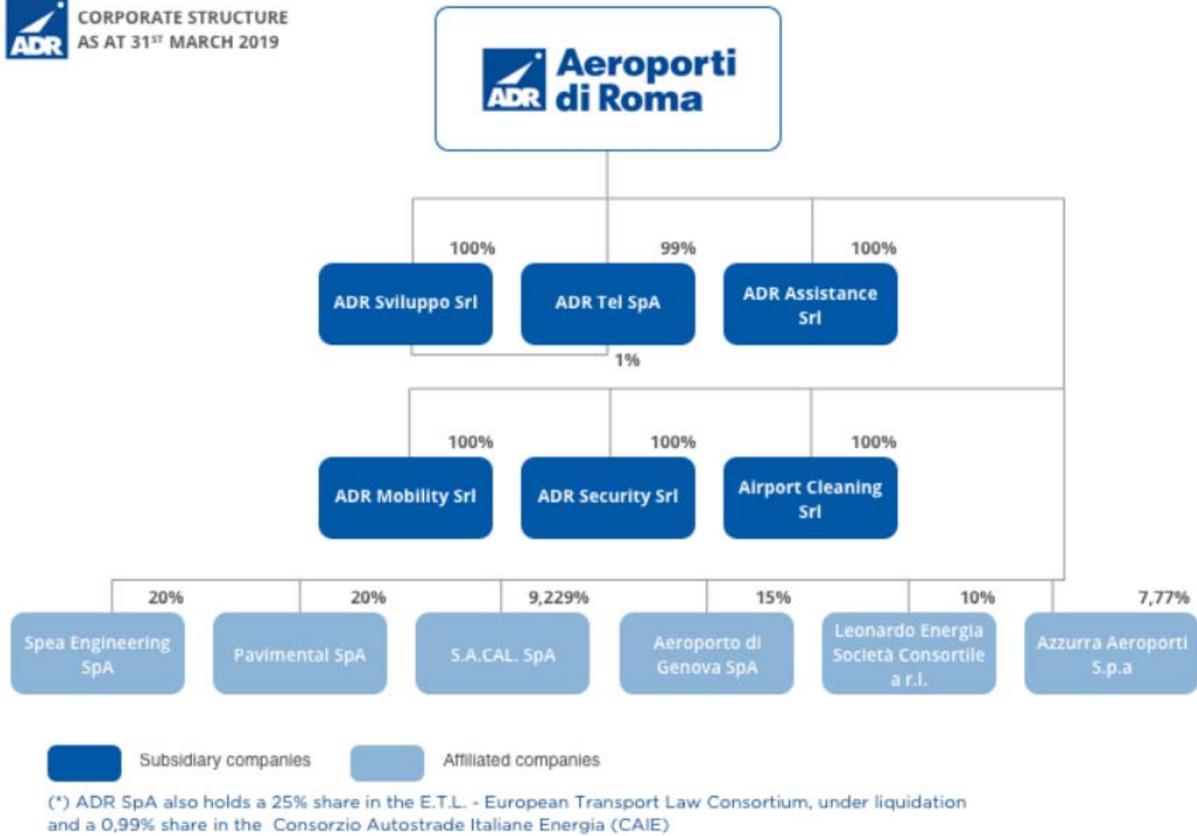
To support and develop the Airports, AdR will focus on developing the appropriate infrastructure, creating a strong service culture, pursuing operational safety, excellence and cost efficiency, and providing users with a wide range of choices.

To ensure increasing passenger traffic volumes, AdR will continue to support the success of the major airlines operating at the Airports, whilst at the same time seeking to attract new airlines.

### **The AdR Group**

#### ***The AdR Group – Structure diagram***

The following diagram sets forth the structure of the Group as at the date of this Base Prospectus.



### ***Business Portfolio Model***

In 2012, AdR carried out a thorough review of the business segments of the Group and launched a new business portfolio strategy aimed at its core aeronautical business.

In particular, in May 2012, AdR completed a corporate reorganisation of certain non-core businesses, spinning off the Direct Retail Business, the Car Park Business and the Security Business (each as defined below) into three separate wholly-owned subsidiaries. In addition, AdR launched a separate competitive auction process to sell its interest in the Direct Retail Business and the Car Park Business, aimed at enhancing the value of these profitable non-core businesses. In September 2012, AdR completed the sale of AdR Retail S.r.l., which operated the Direct Retail Business for the Group (“**AdR Retail**”), to a company of the Lagardère Services group. In the context of the reorganisation of its non-core businesses, in October 2012, AdR disposed of the ground support equipment maintenance business (the “**GSE Maintenance Business**”) which includes the maintenance of vehicles (e.g., ramps, tractors and buses) owned by third parties (mainly baggage handling companies) in the Airports, together with assets, contracts, rights, liabilities, personnel (71 units) and employees related thereto (*cessione di ramo d’azienda*).

Upon completion of the foregoing reorganisational process and further related transactions in 2014 (including the one related to the Cleaning Services (as defined below)), as far as aeronautical activities are concerned, AdR’s business portfolio strategy provides that AdR manages the Airports’ infrastructure and operates, through wholly-owned dedicated subsidiaries, (i) the Security Business, which is conducted by AdR Security (each as defined below), (ii) the ground assistance to reduced mobility passengers, which is conducted by AdR Assistance (as defined below) and (iii) the cleaning services in the Airports (the “**Cleaning Services**”) or at least a vast majority of such service. AdR no longer conducts, directly or indirectly, any baggage handling activities after the disposal of this business in 2007.

As far as the non-aeronautical business is concerned, AdR is pursuing a strategy aimed at leveraging

the involvement of third parties and attracting specialised operators, such as, for example, with respect to the Direct Retail Business (as defined below). In particular, the sale of the traditional airport “core categories” (perfumes, cosmetics, typical high quality wines, gastronomic products, spirits and tobacco) in the Airports (the “**Direct Retail Business**”) is managed by LS Travel Retail Roma S.r.l. (part of the Lagardère Services Group) pursuant to a 14-year retail sub-concession agreement and a warehouse (*magazzini*) and other State properties (*beni demaniali*) sub-concession agreement entered into with AdR, which provides for annual payments of royalties. With reference to Fiumicino Airport, the shopping mall covers an area of 30,000 square metres and includes more than 200 businesses (retail, catering and other services). The services offered feature prestigious Italian and international brands and operators, both in the retail and catering sectors. As regards Ciampino Airport, the shopping mall covers an area of 1,500 square metres and includes more than 15 businesses (retail, catering and other services).

The Car Park Business is currently operated through the subsidiary AdR Mobility S.r.l..

Until 31 December 2013, the advertising business in the Airports was conducted by AdR Advertising S.p.A. (“**AdR Advertising**”) – a joint venture between AdR and IGPDecaux – pursuant to a lease agreement (*contratto di affitto di ramo di azienda*) for the advertising branch entered into with AdR in 2003. On 1 January 2014 AdR Advertising ceased to be operational and the advertising business is now conducted by AdR through sub-concessions.

Finally, real estate activities on the Airports’ premises are managed through single tenants (such as the Hilton hotel) or multi-tenants (in the case of several buildings, offices and areas rented by third parties) on the basis of building rights (*diritti di superficie*) pursuant to Italian law.

In 2014 AdR took part in a corporate reorganisation of the engineering and the construction businesses operated by certain companies of the group consisting of Atlantia and its consolidated subsidiaries (the “**Atlantia Group**”), including AdR itself. The reorganisation involved:

- AdR Engineering S.p.A. (“**AdR Engineering**”), a joint stock company (*società per azioni*) incorporated under Italian law at that time operating in the airport engineering services field, providing integrated services for the design and construction of large infrastructure (including design, work supervision and technical advice);
- Spea Ingegneria Europea S.p.A. (“**SPEA**”), a joint stock company (*società per azioni*) incorporated under Italian law which supplies engineering services and is involved in the design, project management and controls connected to the upgrade and extraordinary maintenance of the Atlantia Group’s network; and
- Pavimental S.p.A. (“**Pavimental**”), a joint stock company (*società per azioni*) incorporated under Italian law whose primary activity is providing maintenance, paving and construction services for the Atlantia Group and to third parties. In particular, as far as airport activity is concerned, Pavimental is responsible for specialist building and maintenance interventions on runways and aprons.

As a result of the above corporate reorganisation, each of AdR and Autostrade per l’Italia S.p.A. (“**ASPI**”) holds a 20% equity interest in SPEA Engineering S.p.A. (formerly SPEA) – which AdR Engineering merged into – and Pavimental.

## **AdR**

AdR is a joint stock company (*società per azioni*) incorporated under Italian law. Its registered office is at Via Pier Paolo Racchetti 1, 00054 – Fiumicino (Rome), Italy and it is registered with the Companies’ Register of Rome under number 13032990155, Fiscal Code 13032990155 and VAT Number 06572251004. AdR may be contacted by telephone at +39 06 65951. AdR’s website is [www.adr.it](http://www.adr.it).

AdR's terms of incorporation shall last until 31 December 2050, subject to extension. See "The Issuer" for information on the Issuer's corporate objects and "The Issuer" and "Corporate Governance — Shareholders" for information on the Issuer's share capital.

AdR operates in accordance with Italian law including the Italian civil code.

### **AdR's main subsidiaries**

The paragraphs below provide a brief description of AdR's main subsidiaries.

#### *AdR Assistance S.r.l.*

AdR Assistance S.r.l. ("**AdR Assistance**") is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law and wholly-owned by AdR. Since July 2008, AdR Assistance has provided ground handling assistance to reduced mobility passengers departing from, in transit to or arriving at the Airports, in compliance with Regulation No. 1107/2006/EC and on the basis of a service contract entered into with AdR in July 2008. For the year ended 31 December 2018, AdR Assistance recorded: (i) revenues equal to Euro 21.1 million, a 16.9% increase compared to the previous year, mainly due to the growth in assistance services and unit fees at Fiumicino, (ii) operating costs equal to Euro 19.3 million, a 14% increase compared to the previous year and (iii) gross operating income of Euro 1.8 million, a 60% increase compared to the previous year.

#### *AdR Tel S.p.A.*

AdR Tel S.p.A. ("**AdR Tel**") is a joint stock company (*società per azioni*) incorporated under Italian law and wholly owned by AdR. Up to 30 March 2014, AdR Tel provided telecommunication services and managed the telecommunication systems in the Airports. From 1 April 2014, the date on which the Information Technology ("**IT**") branch of the business (mainly comprising staff and contracts) was spun off by AdR into AdR Tel, AdR Tel has been entrusted with the direct management of all the IT activities in the Airport previously carried out by AdR. However, AdR maintains direction and control functions. For the year ended 31 December 2018, AdR Tel had revenues of Euro 34.1 million, a decrease of 2% compared to 2017. Operating costs amounted to Euro 28.4 million, of which Euro 23.7 million related to the consumption of materials and external services and Euro 4.7 million for payroll costs, substantially in line with 2017. Gross operating income equaled Euro 5.8 million, a slight decrease compared to 2017, while EBIT amounted to Euro 5.1 million, up 3.3%.

#### *AdR Security S.r.l.*

AdR Security S.r.l. ("**AdR Security**") is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law and wholly owned by AdR. AdR Security was incorporated in May 2012 by AdR contributing in kind its branch of business (*conferimento di ramo d'azienda* pursuant to Italian law) assets and services for personnel security checks and surveillance on assets at Fiumicino and Ciampino (the "**Security Business**"). AdR Security operates the Security Business pursuant to an exclusive management and services agreement (*appalto di servizi*) with AdR. For the year ended 31 December 2018, AdR Security had revenues of Euro 48.4 million, substantially in line with 2017. Operating costs amounted to Euro 45.9 million (down 0.3%), of which payroll costs amounted to Euro 36.6 million (down 0.5%). Gross operating income equaled Euro 2.5 million (up 3.6%), with a percentage impact on revenues of 5.1%, compared to 4.9% in 2017.

#### *AdR Mobility S.r.l.*

AdR Mobility S.r.l. ("**AdR Mobility**") is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law and wholly-owned by AdR. AdR Mobility was incorporated in May 2012 by AdR, contributing in kind its branch of business (*conferimento di ramo d'azienda* pursuant to Italian law) assets and personnel at Fiumicino and Ciampino Airports to operate multi-level and long-stay car parks (the "**Car Park Business**"), together with any rights and liabilities related thereto. AdR Mobility operates the Car Park Business pursuant to, *inter alia*, a 14-year sub-

concession agreement entered into with AdR. For the year ended 31 December 2018, AdR Mobility had revenues of Euro 42.2 million, a 6.7% increase compared to the previous year and attributable to the increase in revenues from car park operators and the royalties paid by car rental companies. Operating costs amounted to Euro 28.0 million (up 6.3% compared to 2017), of which Euro 24.6 million relating to the consumption of external materials and services and Euro 3.5 million for payroll costs. Gross operating income equaled Euro 14.1 million, increasing by Euro 1.0 million compared to the previous year, while the operating income amounted to Euro 10.9 million, up 10.2%.

#### *Airport Cleaning S.r.l.*

Airport Cleaning S.r.l. (“**Airport Cleaning**”) is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law and wholly-owned by AdR. Airport Cleaning was incorporated in February 2014 by AdR and became operational in May 2014. Until 28 February 2015, Airport Cleaning operated the Cleaning Services at Ciampino Airport and at Terminal 1, Terminal 2 and other buildings of Fiumicino Airport and since 1 March 2015, Airport Cleaning has been responsible for the Cleaning Services also in the west area of Fiumicino Airport. For the year ended 31 December 2018, Airport Cleaning had revenues of Euro 26.7 million, a 6% decrease due to the effect of the closure of Terminal 5 and Terminal 2 for the whole of 2018, as well as the adjustment of the contract value with AdR. Operating costs, equal to Euro 14.9 million, fell by 4.7% compared to 2017 as a result of the decreasing payroll costs (the decrease essentially reflects the drop in workforce which was down by 6.5%). EBITDA equaled Euro 2.4 million, compared to Euro 2.8 million recorded in 2017.

#### *AdR Sviluppo S.r.l.*

AdR Sviluppo S.r.l (“**AdR Sviluppo**”), a limited liability company (*società a responsabilità limitata*) incorporated under Italian law and wholly owned by AdR. AdR Sviluppo’s aim is to promote and develop real estate initiatives in the Airports. In 2018, net income equaled Euro 32 thousand, up by 10 thousand Euro compared to 2017 thanks to dividends (up 34 thousand Euro) collected from the investee AdR Tel. As of 31 December 2018, shareholders’ equity was equal to Euro 206 thousand.

#### **AdR’s other equity interests**

AdR holds the following minority equity interests which had a total equity value of Euro 73 million as of 31 December 2018:

- a 20% equity interest in Pavimental. The revenues of Pavimental in 2018 amounted to Euro 291.0 million, a decrease of Euro 98.2 million compared to 2017 (down 25.2%), with the drop in revenues affecting the entire business of the company. Furthermore, such decrease was affected by the execution in 2017 of a settlement agreement with ASPI which recognized Pavimental about Euro 28.2 million to settle any claims and cover reserves connected with the application of the permanent reductions set by the Ministry for Infrastructure and Transport on some infrastructure contracts commissioned by ASPI in place of the temporary contractual reductions. The gross operating income equaled Euro 3.0 million, down by 43.4 million Euro compared to the previous year. The company closed 2018 with a net loss of Euro 16.2 million, a decline compared to net income of Euro 15.8 million in 2017. Shareholders’ equity as of 31 December 2018 was equal to Euro 15.0 million;
- a 20% equity interest in SPEA Engineering S.p.A. In 2018, revenues equaled Euro 108.2 million, down by Euro 2.3 million (2.1%) compared to the previous year, mainly as a result of the decrease in the activities related to work management, due to the termination of construction contracts as recorded in the final accounts and a slowdown due to the collapse of the so-called “Morandi” bridge in Genoa in August 2018. External production costs, equal to Euro 57.7 million, decreased by Euro 11.7 million as a result of the greater outsourcing of specialised professional roles and the higher costs for legal services. EBITDA in 2018, equal to Euro 1.0 million, decreased by Euro 14.3 million compared to the previous year. The company

closed 2018 with a net loss of Euro 3.4 million, a decline compared to the net income of Euro 6.9 million in 2017. Shareholders' equity as of 31 December 2018 was equal to Euro 78.2 million;

- a 15% equity interest in Aeroporto di Genova S.p.A., a joint stock company (*società per azioni*) in charge of the management of the Genoa airport;
- a 9.229% equity interest in S.A.CAL. - Società Aeroportuale Calabrese S.p.A., the company managing Lamezia Terme airport which, with Italian Civil Aviation Authority directive of 3 March 2017, was awarded the thirty-year concession to manage the airports of Reggio Calabria and Crotona. In 2017 (the latest year for which there are approved financial statements), Lamezia Terme airport recorded 2.5 million passengers in total, an increase of 1.1% compared to the previous year to be mainly attributed to the growing low-cost traffic. The value of production, equal to Euro 26.2 million, increased by Euro 4.2 million compared to 2016, due to the review of the "airport fee regulation" model and the related execution on 11 July 2017 of the planning agreement with ENAC that, starting from 1 June 2017, caused a rise in airport fees. The value of production was also affected by non-recurrent items of Euro 3.4 million. Production costs also rose by Euro 0.9 million, in particular expenses for leased assets, due to the full charge (as opposed to the reduced charge applied until 31 May 2017, equal to 25%) of the concession fee paid after the planning agreement came into force. Operating income was equal to Euro 2.8 million compared to a negative operating income of Euro -0.5 million in 2017. The value adjustments of financial assets were equal to Euro -1.4 million due to the write-down of the book value of the subsidiary S.A.CAL. Ground Handling S.p.A. closed 2017 with a profit of Euro 48 thousand, an improvement compared to Euro -1.5 million recorded in 2016. Shareholders' equity as of 31 December 2017 was equal to Euro 10.7 million;
- a 7.77% equity interest in Azzurra Aeroporti S.r.l., which holds 64% of the corporate capital of Aéroports de la Côte d'Azur ("**ACA**"), which, in turn, owns the airports of Nice, Cannes-Mandelieu and Saint Tropez. The company closed 2018 with a profit of Euro 43.8 million (compared to Euro 27.6 million in 2017), mainly relating to income from equity investments for the dividend paid by ACA, equal to Euro 51.5 million (compared to Euro 34.6 million recorded in the previous year). Shareholders' equity as of 31 December 2018 amounted to Euro 706.6 million.
- a 25% equity interest in Consorzio E.T.L. – European Transport Law (in liquidation), which promotes training courses and research programs regarding European transport integration issues, and has been in liquidation since 31 December 2010. Such entity closed 2018 with a loss of Euro 6,000 and shareholders' equity of Euro -5,000; and
- a 10% interest in Leonardo Energia – Società Consortile a r.l. ("**Leonardo Energia**") while the remaining 90% is held by Fiumicino Energia S.r.l. ("**Fiumicino Energia**"). Leonardo Energia is a limited liability consortium (*società consortile*) that manufactures, transforms and transports electrical and thermal power for the benefit of the consortium partners, through the management of: (i) the cogeneration plant built at Fiumicino and owned by Fiumicino Energia, made available to Leonardo Energia pursuant to a business unit lease agreement (*contratto di affitto di azienda*) and (ii) the thermal power plant made available by AdR pursuant to a sub-concession agreement. The company broke even in 2018, whilst shareholders' equity amounted to Euro 268 thousand as at 31 December 2018.

## Employees

As of 31 December 2018, the Group had a headcount of 3,453, recording an increase of 76 (up 2.2%) compared to the end of the previous year. This increase in personnel is mainly attributable to: (i) increased workforce at AdR Assistance due to the greater traffic of passengers with reduced mobility (PRM) managed and (ii) increased workforce at AdR Security due to the rising number of passengers at security check points and the in-sourcing of security check activities at staff check points at

Fiumicino and Ciampino from August 2018.

### **Business Activities and Revenue Generation**

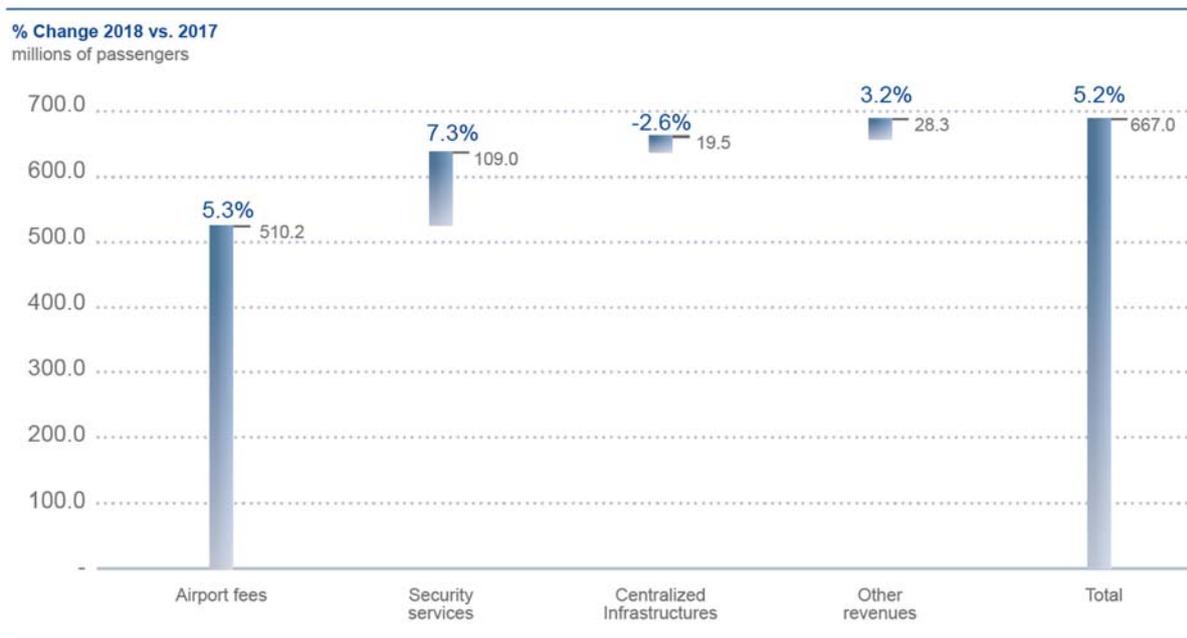
The Group operates in the aeronautical and non-aeronautical business segments at the Airports, and generates both aeronautical and non-aeronautical revenues.

	Years ended 31 December			
	2017		2018	
	<i>Euro in millions</i>	<i>% of Group revenue</i>	<i>Euro in millions</i>	<i>% of Group revenue</i>
Aeronautical business .....	633.8	62.7%	667.0	63.8%
Non-aeronautical business .....	241.6	23.9%	254.5	24.4%
Revenues from construction services	117.2	11.6%	109.7	10.5%
Other operating income	18.8	1.9%	14.0	1.3%
<b>Total .....</b>	<b>1,011.4</b>	<b>—</b>	<b>1,045.1</b>	<b>—</b>

### ***Aeronautical activities***

Aeronautical activities directly connected with the airport management business segment include airport charges, centralised infrastructure, security services and other related activities.

The diagram below shows the breakdown of revenues from the Group's aeronautical activities by sub-sector for the year ended 31 December 2018 and the relevant percentage change compared to 2017.



### ***Airport charges***

Revenues related to airport charges consist of:

- *Landing and take-off fees and parking charges:*

For the year ended 31 December 2018, such charges amounted to Euro 140.3 million, up 4.4%

as a consequence of the increase in the number of movements (up 2.5%) and total aircraft tonnage (up 6.0%), and the adjustment of prices as of 1 March 2018, in accordance with the Economic Regulation Agreement in force.

- *Passenger boarding charges:*

For the year ended 31 December 2018, these charges amounted to Euro 367.1 million, an increase compared to the previous year of 5.6%. This result is a consequence of the increase in passenger traffic (up 4.2%) and the favourable mix of passengers travelling to the Schengen area and the extra-Schengen area, as well as the effects of the adjustment of prices as of 1 March 2018 in accordance with the Economic Regulation Agreement in force.

- *Cargo charges:*

For the year ended 31 December 2018, such fees amounted to Euro 2.8 million, increasing (up 8.1%) compared to the final figure of the previous year, as a consequence of the increase in cargo transported (up 10.6%).

### *Centralised infrastructure*

Revenues related to centralised infrastructure are mainly attributable to passenger loading bridges, which connect airport terminal gates to the aircraft, allowing passengers to board and disembark without going outside.

For the year ended 31 December 2018, revenues deriving from centralised infrastructure amounted to Euro 19.5 million, down 2.6% compared to 2017, as a consequence of the combined effect of the availability of infrastructure and the annual adjustment of the unit price starting from 1 March 2018.

### *Security services*

Such revenues are attributable to:

- passengers and hand baggage checks; and
- hold baggage screening.

For the year ended 31 December 2018, revenues from security activities amounted to Euro 109.0 million, a 7.3% increase compared to the previous year, resulting from the increase in passenger traffic and the annual tariff adjustment as of 1 March 2018 in accordance with the Regulatory Framework.

### *Other aeronautical activities*

For the year ended 31 December 2018, revenues from other aeronautical activities amounted to Euro 28.3 million, up 3.2% compared to the previous year. Such revenues are attributable to:

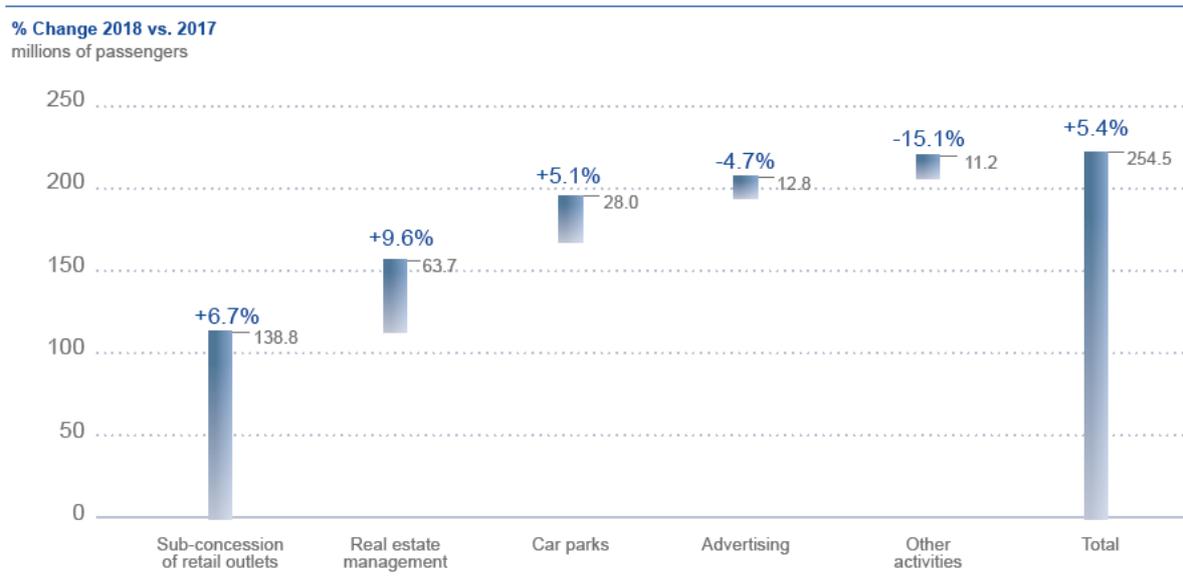
- *assistance to passengers with reduced mobility provided through AdR Assistance:* for the year ended 31 December 2018, such activity generated revenues of Euro 18.7 million, an increase of 5.0% compared to 2017 deriving from the higher unit fee charged from 1 March 2018 and the traffic increase;
- *passengers check-in desk:* for the year ended 31 December 2018, these activities generated revenues of Euro 8.7 million, substantially in line with the previous year, as a result of the combined effect of the availability of infrastructure and the annual price adjustment of the unit prices applied from 1 March 2018.
- *other aeronautical revenues for the use of common assets (beni di uso comune), baggage handling (facchinaggio) and left luggage, self-service trolleys and other related activities:* for

the year ended 31 December 2018, revenues for these activities amounted to Euro 0.9 million and only consisted of the revenues for the use of the portage and left luggage services. This income slightly increased compared to the previous year (up 2.2%).

### *Non-aeronautical activities*

Non-aeronautical activities of the Group include real estate activities, commercial activities (including sales, sub-concessions and utilities, car parks, advertising, shops and food and beverage outlets) and other related activities.

The diagram below shows the breakdown of revenues from the Group's non-aeronautical activities by sub-sector and the relevant percentage change for the years ended 31 December 2017 and 2018.



As at 31 December 2018 non-aeronautical revenues represented 24.4% of the Group's total revenues. Non-aeronautical revenues increased by 5.4% from Euro 241.6 million in 2017 to Euro 254.5 million in 2018.

### *Sub-concession of retail outlets*

For the year ended 31 December 2018, revenues arising from sub-concession of retail outlets amounted to Euro 138.8 million, increasing by 6.7% compared to 2017. This positive performance was due both to the increase in volume (a 4.2% increase in passengers departing from the Rome Airport System) and the improvement in the passenger mix compared to the previous year (an increase in passengers of 11% in relation to the extra-Schengen area and 1.8% for the domestic/Schengen area at Fiumicino).

Revenues arising from retail outlets in 2018 are mainly attributable to:

- *Core Categories*: this segment generated revenues of Euro 49.6 million, up 6.0% compared to the previous year. The increase in revenues was principally concentrated in the extra-Schengen areas due to the aforementioned increase in passenger volume, the improved passenger mix and the completion of the "Front Building";
- *Specialist Retail*: revenues of Euro 42.1 million were recorded, growing by 9.0% for essentially the same reasons as those indicated above with respect to the "Core Categories". The most

significant performance was recorded in the luxury categories (an 18% increase in turnover), convenience stores (up 36% as a result of a change in retailers and related new formats) and clothing (up 14%). The negative impact of the closures in preparation for the opening of the East Hub in the Terminal 1 mezzanine area was offset by the positive trend in the C8-16 area and extra-Schengen area;

- *Food & Beverage*: revenues in 2018 amounted to Euro 35.6 million, with a growth of 4.2% as a result of the new retailers in the Terminal 3 arrivals lounge (a 70% increase in turnover) and Boarding Area D (approximately, an 18% increase in turnover); the extra-Schengen level recorded a growth of 20% in turnover related to the refreshment outlets; and
- *Other commercial activities*: passenger service activities such as currency exchange counters, VAT Refund and the luggage wrapping business recorded revenues of Euro 11.5 million, a 8.7% increase compared to the previous year, due to the new allocation of currency exchange and VAT refund desks and growth in the reference passenger segment (extra-Schengen).

#### *Real estate management*

The revenues from real estate activities, which include the sub-concession of spaces (real estate, offices at the terminals, spaces and stands to car hire companies) and the relevant utilities and services, equaled Euro 63.7 million in 2018, increasing by 9.6% compared to the previous year.

Revenues deriving from real estate activities in 2018 are attributable to:

- *fees and utilities for retail and other sub-concessions*: revenues amounted to Euro 53.9 million, up by Euro 4.7 million (up 9.6%), as a consequence of the increase in the fee for the sub-concession of the technical area, the sub-concession spaces for creating two new VIP areas and the installation of new ATM equipment. Such effects were partly offset by the reduction in the spaces under sub-concession to a catering operator and the renegotiation of the sub-concession agreements with telephony operators; and
- *other fees charged at Fiumicino and Ciampino, calculated on the volumes of activities managed (hotels, car hire, car wash, fuel stations, etc.)*: revenues equaled Euro 9.8 million, increasing by 9.6% compared to the previous year, mainly attributable to the better performance of hospitality activities (which also benefitted from a new business opening in the landside area) and the increase in volumes (and unit revenues) of ATM withdrawals, in addition to the better performance of car rental companies (up 7.2%), also due to the growing non-EU traffic.

#### *Car parks*

For the year ended 31 December 2018, revenues were equal to Euro 28.0 million, increasing by 5.1% compared to the previous year. This result was achieved despite the drop in domestic traffic, which is more relevant to the car park business, and the reduction in available car parking for Alitalia employees. In 2018 such revenues were attributable to:

- *passenger car parking*: revenues of Euro 23.4 million (up 5.7%). Although competitive pressure continues from alternative means of transport used to arrive at the Airports, the passenger car parking segment regained a market share from external car parks. To make the car parks at the airport more attractive, new parking areas were put into operation thus permitting the diversification and differentiation of the offer (Terminal 1 and Terminal 3 Executive Car Park and covered and uncovered long-stay) and new fee structures aimed at recovering profit margins and volumes. The online booking and e-commerce channels experienced very sustained growth rates (up 15.2%), due to a greater pricing trend. Web marketing activities supporting the business and the “easyParking” brand with the new online booking platform were also further developed to improve the customer experience; and

- *airport operator car parking*: revenues of Euro 4.6 million, a 2.3% increase compared to the previous year.

#### *Advertising*

In 2018, the advertising business generated revenues of Euro 12.8 million, of which Euro 12.5 million derived from the royalties received from the sub-concession of business advertising activities. Such revenues recorded a decrease of Euro 0.6 million compared to 2017.

#### *Other non-aeronautical activities*

Revenues from other activities amounted to Euro 11.2 million for the year ended 31 December 2018, down 15.1%; the most significant items showed the following trends:

- revenues for the chargeback of cleaning and biological wastewater treatment of Euro 3.5 million (up 1.0% compared to 2017);
- revenues for other sales (fuel, consumable materials, etc.), equal to Euro 0.9 million, down by Euro 1.5 million compared to 2017 due to the outsourcing to third parties of the fuel resale business in the airside area beginning in February 2018;
- revenues for information systems of Euro 1.3 million (down 2.0%); and
- revenues for third-party training of Euro 0.6 million (down 0.1%).

#### *Construction services*

Revenues from construction services amounted to Euro 109.7 million for the year ended 31 December 2018, a decrease of 6.5% compared to 2017.

The tables below show key performance indicator data of non-aeronautical activities for Fiumicino and Ciampino, respectively, for the years ended 31 December 2017 and 2018.

#### **Main indicators of non-aeronautical activities of Fiumicino**

	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>Change%</b>
Shop average spending (€/departing passenger) .....	14.69	14.90	1.5%
Retail area per million of passengers (m <sup>2</sup> ) .....	726	690	(4.9%)
Food and beverage average spending (€/departing passenger) .....	5.16	5.40	4.7%
Food and beverage outlet per million of passengers (m <sup>2</sup> ) ....	668	636	(4.8%)
Passenger car parking average spending (€/departing passenger) .....	1.30	1.33	1.7%

#### **Main indicators of non-aeronautical activities of Ciampino**

	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>Change%</b>
Shop average spending (€/departing passenger) .....	4.35	4.75	10.1%
Retail area per million of passengers (m <sup>2</sup> ) .....	237	258	9.9%
Food and beverage average spending (€/departing passenger) .....	3.23	3.46	8.1%
Food and beverage outlet per million of passengers (m <sup>2</sup> ) ....	229	237	4.1%
Passenger car parking average spending (€/departing passenger) .....	0.70	0.70	(0.5%)

## **Traffic**

### ***The Rome Airport System***

#### *Development of passenger traffic*

For the year ended 31 December 2018, over 48.8 million passengers used the Rome Airport System, a 4.2% increase compared to the previous year. In terms of capacity, an increase was registered in movements (*i.e.*, numbers of takeoffs and landings, up 2.5%), aircraft tonnage (*i.e.*, maximum weight at which an aircraft is allowed to take-off, up 6.0%) and seats (*i.e.*, the total number of seats available in the aircraft, up 4.6%).

The chart below contains a breakdown of the main traffic data of the Rome Airport System.

	2018	2017	Δ%
<b>Movements (no.)</b>	<b>360,385</b>	<b>351,727</b>	<b>2.5%</b>
Fiumicino	307,736	297,491	3.4%
Ciampino	52,649	54,236	(2.9%)
<b>Passengers (no.)</b>	<b>48,834,856</b>	<b>46,857,693</b>	<b>4.2%</b>
Fiumicino	42,995,119	40,971,881	4.9%
Ciampino	5,839,737	5,885,812	(0.8%)
of which: boarded	24,354,865	23,365,521	4.2%
Fiumicino	21,420,026	20,408,629	5.0%
Ciampino	2,934,839	2,956,892	(0.7%)
<b>Cargo (t.)</b>	<b>217,883</b>	<b>196,940</b>	<b>10.6%</b>
Fiumicino	199,637	179,927	11.0%
Ciampino	18,246	17,013	7.2%
<b>Carriers (no.)</b>			
Fiumicino	91	91	0.0%
Ciampino	2	2	0.0%
<b>Destinations (no.)</b>			
Fiumicino	204	203	0.5%
Ciampino	57	56	1.8%

### Seasonal trends

The graph below shows the monthly trend of passenger traffic for the Rome Airport System both in terms of volumes and percentage change for the years ended 31 December 2017 and 2018.

**% Change 2018 vs. 2017**  
millions of passengers



The table below shows the monthly trend of passenger traffic for the Rome Airport System with respect to the last five years.

**Rome Airport System**

	2014	2015	2016	2017	2018
January.....	2,654,418	2,859,717	2,956,983	3,133,027	3,100,316
February.....	2,527,771	2,778,829	3,003,058	2,942,577	3,004,470
March.....	3,195,949	3,503,191	3,548,839	3,564,893	3,711,884
April.....	3,618,734	3,896,308	3,859,136	3,966,761	4,166,326
May.....	3,864,600	4,063,500	4,277,018	4,183,157	4,422,440
June.....	4,111,735	4,300,047	4,362,103	4,343,253	4,583,553
July.....	4,473,875	4,797,822	4,893,184	4,798,167	4,948,929
August.....	4,593,510	4,884,052	4,814,708	4,740,599	4,884,538
September.....	4,318,078	4,545,728	4,526,295	4,466,356	4,622,902
October.....	4,001,421	4,209,405	4,162,459	4,164,722	4,382,180
November.....	3,151,217	3,280,460	3,381,686	3,310,870	3,546,390
December.....	3,137,086	3,178,350	3,354,999	3,243,311	3,460,928
	<b>43,648,394</b>	<b>46,297,409</b>	<b>47,140,468</b>	<b>46,857,693</b>	<b>48,834,856</b>

### Geographic distribution for the year ended 31 December 2018

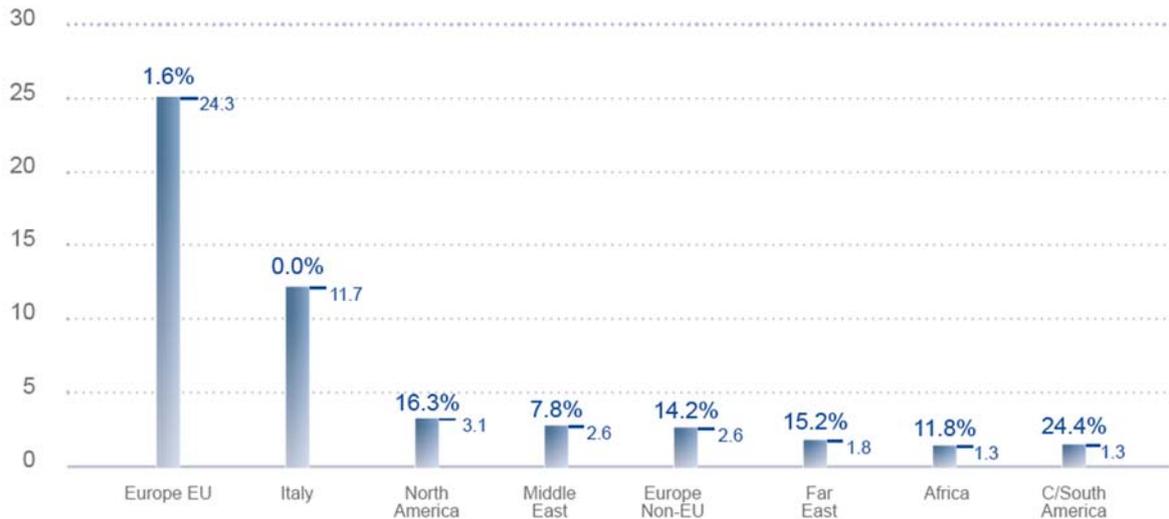
In terms of distribution of passengers by geographic area in 2018, the Group recorded growth in all markets, with Central/South America (up 24.4%) ranking first, followed by North America (up 16.3%), the Far East (up 15.2%), non-EU Europe (up 14.2%), Africa (up 11.8%) and the Middle East

(up 7.8%). Growth was also recorded in EU Europe (up 1.6%) while domestic traffic remained stable.

The following diagram sets out the passenger traffic distribution both in terms of volumes and percentage change of the Rome Airport System by geographic area for the year ended 31 December 2018 compared to 2017.

*Passenger traffic distribution of the Rome Airport System by Geographic Area*

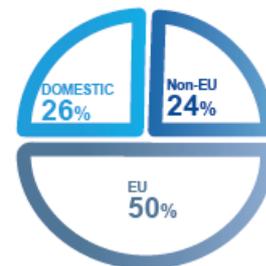
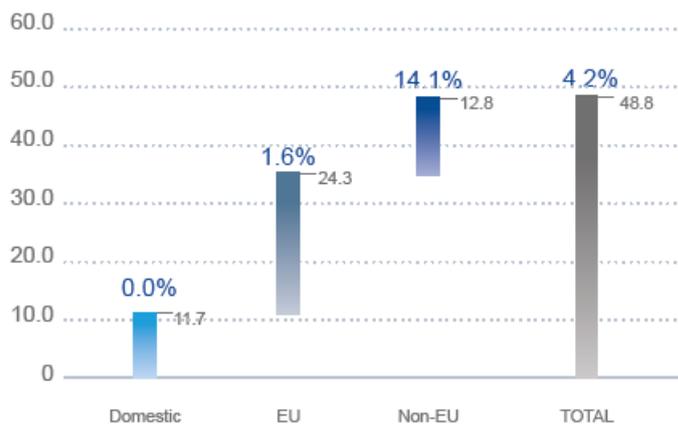
**% Change 2018 vs. 2017**



The following diagrams set out the volume and percentage change in the traffic composition of the Rome Airport System for the year ended 31 December 2018 compared to 2017.

*2018 traffic composition for the Rome Airport System (millions of passengers)*

**% Change 2018 vs. 2017**  
millions of passengers

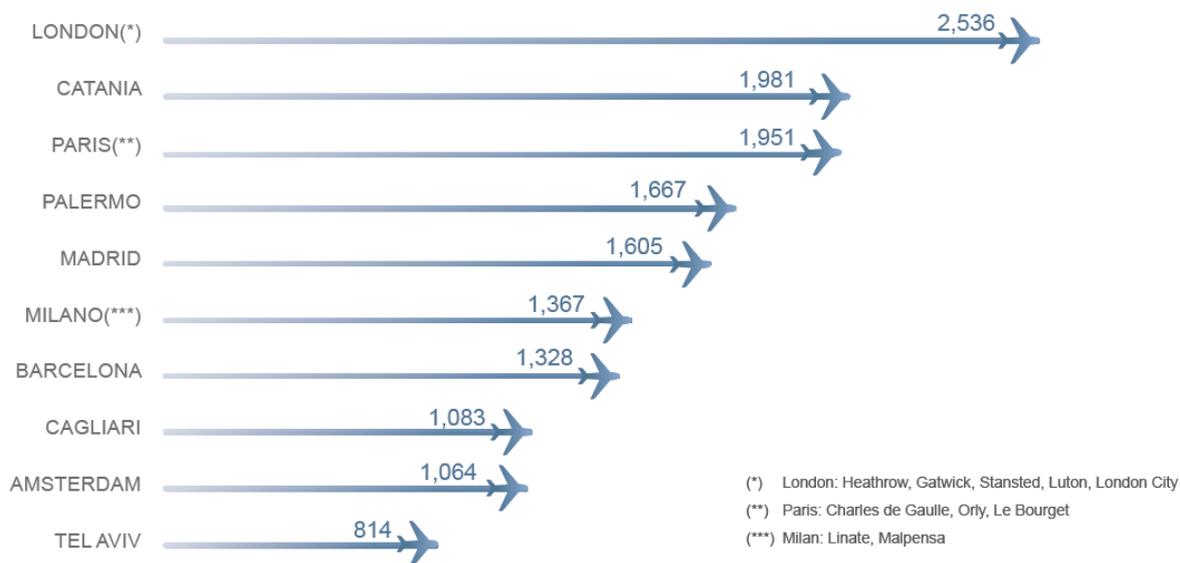


In terms of network, the Rome Airport System permanently connects more than 230 destinations through about 100 airlines.

The following diagrams set out the most significant destinations and the main carriers.

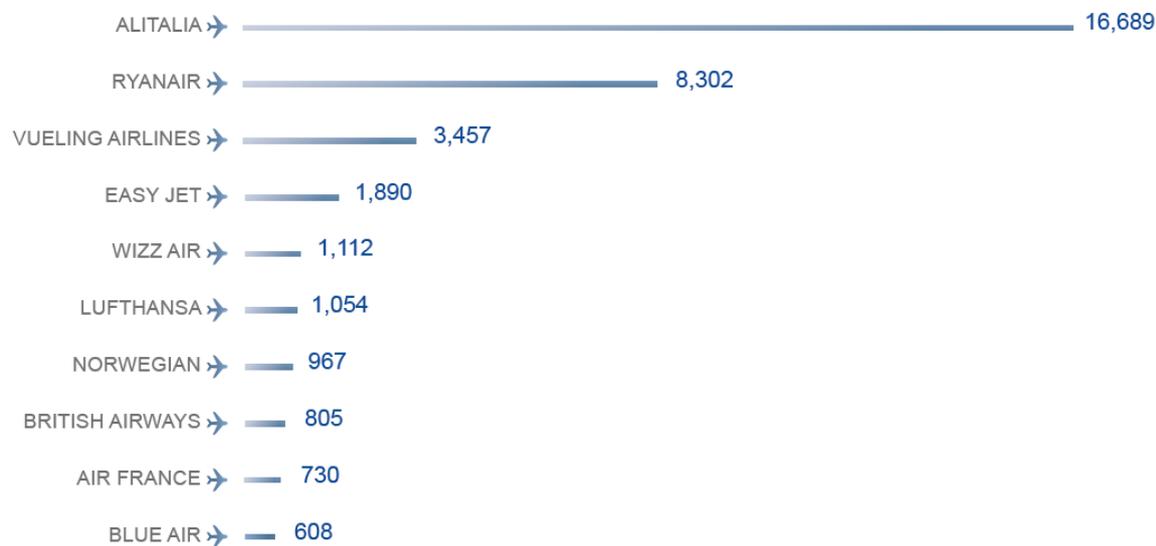
*2018 main destinations served*

thousands of passengers



*2018 main carriers*

thousands of passengers



**Traffic composition in the Rome Airport System**

*Passengers' profile*

In the year ended 31 December 2018, 78% of the Airports' traffic was origin and destination ("O&D") traffic, whilst 22% was transfer and transit ("T&T") traffic. Compared to T&T passengers, O&D passengers are generally less dependent on airline decisions regarding airport choice, therefore constituting a demand driven component of airport traffic. In the case of T&T passengers, the airport choice is often driven by airlines' network strategy and ease of connection. O&D traffic is less volatile than T&T traffic, and, accordingly, provides stable resilient revenues, and the prospect of a stable rate of growth.

**Passengers of the Rome  
Airport System**

	<b>O&amp;D</b>	<b>T&amp;T</b>
2009 .....	29,103,614	9,519,224
2010 .....	30,416,233	10,493,022
2011 .....	32,075,003	10,405,473
2012 .....	31,109,668	10,452,439
2013 .....	30,554,153	10,466,506
2014 .....	33,717,213	9,931,310
2015 .....	35,522,335	10,775,074
2016 .....	36,135,214	11,005,254
2017 .....	36,629,251	10,288,442
2018 .....	38,095,872	10,738,984

*T&T: Transit + Transfer passengers*

*O&D: Total passengers less T&T*

**Fiumicino Airport**

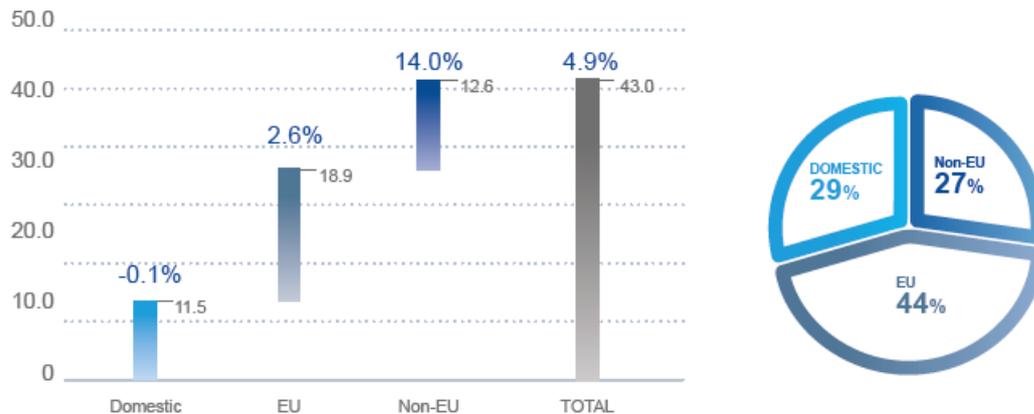
Fiumicino is the main airport in Italy and one of the busiest airports in Europe in terms of volumes of traffic. Fiumicino is Alitalia's hub and the SkyTeam alliance's South European hub.

In 2018, Fiumicino, which permanently connected Rome with more than 200 destinations, welcomed about 43 million passengers and increased its traffic flows by 4.9%, with 2 million additional passengers.

The following diagrams set out the percentage change in the traffic composition at Fiumicino Airport for the year ended 31 December 2018 compared to 2017.

2018 traffic composition for Fiumicino airport (millions of passengers)

% Change 2018 vs. 2017  
millions of passengers



The growth in volumes is due to the development of the international segment (up 6.9%), mainly driven by the non-EU market (up 14.0%). The EU segment, representing 44% of total traffic, achieved a 2.6% increase, while for non-EU traffic, in 2018 passenger volumes exceeded those generated by domestic traffic and the development trend continued with a double digit growth (up 14.0%) mainly driven by the long-haul market.

In addition, in 2018 capacity grew both in terms of aircraft movements (up 3.4%) and seats offered on board (up 5.3%), with an average load factor of 77.6%, which was stable compared to the previous year.

The following results emerge when analysing the performance of international traffic by geographic area:

- *Europe (up 3.8%)*: overall traffic from/to Europe (EU and non-EU) accounted for 50% of passenger traffic at Fiumicino. Growth in the EU market volumes (up 2.6%) is mainly attributable to the increase in traffic towards the main European airports (Paris, Madrid, Barcelona, London and Vienna), while the increase in non-EU traffic (up 13.5%) is mainly due to the sharp rise in traffic towards Russia, Ukraine and Turkey;
- *Middle East (up 7.6%)*: the positive results are attributable to the development of numerous airlines operating on the Fiumicino-Tel Aviv route (Alitalia, Vueling, Ryanair and Norwegian), in addition to Qatar Airways' increased traffic to Doha which has reached three flights a day;
- *North America (up 16.3%)*: the increase in traffic is mainly attributable to Norwegian offering flights to New York and Los Angeles from the end of 2017, with positive effects on the 2018 results, and San Francisco from February 2018, as well as increases in flights to the USA by Delta, United and America Airlines and to Canada by Air Canada and Air Transat;
- *Far East (up 15.2%)*: the increase is mainly attributable to the introduction of a direct flight to Canton by China Southern, additional flights to Korea, Taiwan and Singapore as well as the good performance of Alitalia (up 24.4%) thanks to the introduction of flights to Delhi and Malè in October 2017;
- *Central & South America (up 24.5%)*: the positive results are mainly due to the operations of LATAM, the main South American airline operating flights to Sao Paulo. A significant contribution also came from Alitalia, which increased its flights to both Rio de Janeiro and Sao

Paulo, and from the additional flights operated by Aerolineas Argentinas, which in the summer of 2017 started offering a daily connection to Buenos Aires, thus positively affecting the results for the first few months of 2018;

- *Africa (up 11.9%)*: the good performance mainly derives from Alitalia’s flights to Johannesburg and Mauritius, in addition to a partial recovery of the traffic decline towards the North African area in previous years due to geo-political issues.

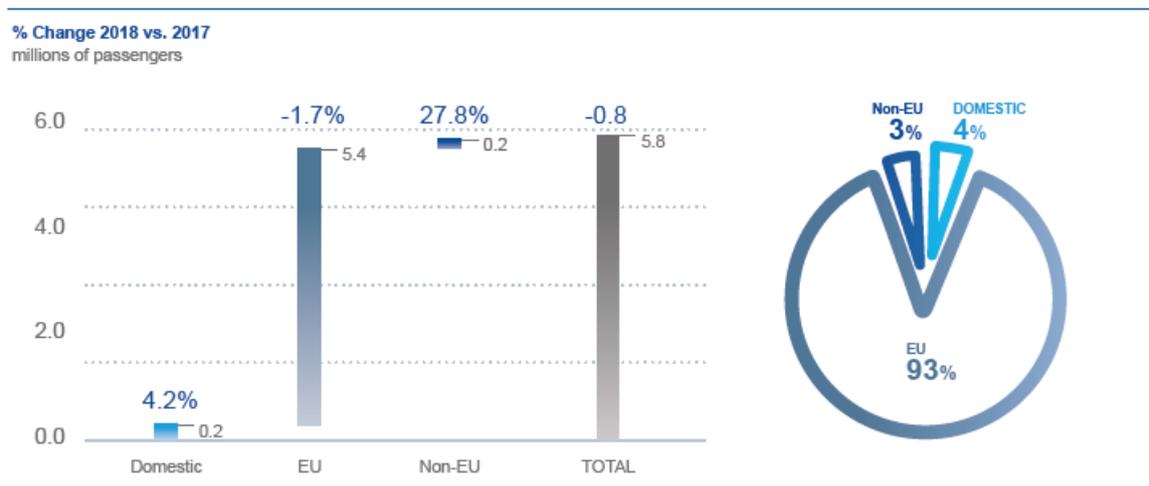
Passenger traffic trends at Fiumicino airport are influenced by the performance of the main carrier (Alitalia, with a share of around 40% of traffic), which in 2018 experienced a rise in passengers transported equal to 2.0% compared to the previous year. The increase by 330 thousand passengers is almost entirely due to the growth of the non-EU market (up 7.9%), with the EU and domestic segments remaining essentially unchanged compared to 2017.

### **Ciampino Airport**

In 2018, Ciampino recorded a slight decline in passengers transported (down 0.8%), as a result of the decrease in commercial movements (down 1.1%) and in commercial seats offered on board the aircraft (down 1.1%) due to Ryanair’s (the largest carrier operating at the airport) reduction in flights mainly towards Athens and Germany. The coefficient of the load factor rose by 0.4%, to reach 89%. With reference to traffic to the main geographic areas, passengers transported to EU destinations represented 93% of total traffic, recording a 1.7% decrease, while the performance in the domestic (up 4.2%) and non-EU sectors grew: the former thanks to the partial transfer of flights to Comiso from Fiumicino and the latter thanks to the introduction of flights to Jordan, the increase in flights to Marrakech and the positive effect on the first few months of the year of the flights to Skopje operated by Wizz Air.

The following diagrams set out the percentage change in the traffic composition at Ciampino Airport for the year ended 31 December 2018 compared to 2017.

*2018 traffic composition for Ciampino airport*



### **Infrastructure**

#### *Description of the current Rome Airport System*

AdR is entitled to use the State properties (areas, buildings and plants) comprising Fiumicino and Ciampino for the purpose of managing the Rome Airport System (for further information on the assets regime, see “Regulatory Framework”).

Fiumicino      Ciampino

Runways .....	<u>3</u>	<u>1</u>
Passenger Terminals .....	<u>2</u>	<u>1</u>
General Aviation area (sqm).....	<u>-</u>	<u>2,200</u>
Check-in desks.....	<u>345</u>	<u>15</u>
Gates.....	<u>94</u>	<u>17</u>
Aircraft aprons.....	<u>131</u>	<u>82</u>
Total car parking spaces .....	<u>21,131</u>	<u>1,700</u>

## ***Fiumicino Airport***

### *Overview*

Fiumicino Airport mainly serves carriers operating scheduled flights to domestic, international and intercontinental destinations.

In recent years it has mostly been the international flights which have supported the growth in the volume of air traffic at Fiumicino and, during 2018, the airport attracted about 43.0 million passengers.

The high number of Italian domestic and intercontinental connected destinations served by Fiumicino makes it the preferred airport in Italy for transfers and stop-overs in relation to long haul flights.

### *The Site*

As at the date of this Base Prospectus, Fiumicino Airport covers a total area of approximately 16 km<sup>2</sup> near the small town of Fiumicino, located approximately 30 km from the centre of Rome. Fiumicino is located near the Tyrrhenian coast.

### *The Terminals*

There are two terminals<sup>6</sup> (T1 and T3) and 4 boarding areas (B, C, D and E). Terminal 3 is connected with a people mover to boarding areas E31-44, a detached satellite terminal. Fiumicino's terminals are contained in a single complex, linked internally and covering a total surface area of 355,000 m<sup>2</sup>. The main terminal complex is organised around a central area served by a double level access road and is linked by walkways to the railway station connecting Fiumicino Airport to various parts of Rome, including the Termini railway station in the centre of Rome, and multi-storey car parks.

**Terminal 1** was opened to passengers in November 2000 and serves the main carrier Alitalia and the majority of domestic flights. T1 is comprised of three levels:

- Ground floor, arrivals: five baggage claim belts, retail and food and beverage shops;
- First floor, departures: 124 check-in desks, retail, food and beverage shops, VIP lounges, security facilities; and
- Mezzanine floor: departures, retail and food and beverage shops.

**Terminal 3** occupies a central area of Fiumicino Airport and was the original international flight terminal, further expanded in 1999.

T3 is dedicated to processing domestic, Schengen and non-Schengen flights and comprises three levels:

- Ground floor, arrivals: immigration processing, nine baggage claim belts, customs, offices, retail and food and beverage shops;

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<sup>(6)</sup> Terminal 5 is currently not in operation; Terminal 2 was demolished in 2018 due to the Terminal 1 extension works.

- First floor, departures: 221 check-in desks, of which 55 dedicated to flights to North America and Israel, security and immigration facilities, retail and food and beverage shops;
- Mezzanine floor: retail and food and beverage shops, ticket counters and staff offices.

*Boarding areas:*

- Boarding area B (pier) has 28 boarding gates, 13 equipped with loading bridges and 15 bus gates at the ground level;
- Boarding area C has 9 bus gates (C8-C16) at the departure level;
- Boarding area D (pier) has 10 boarding gates;
- Boarding area E1-E8 has 8 bus gates, available at the ground floor of new T3 extension;
- Boarding area E11-E24 (pier) equipped with 14 loading bridges for narrow body and wide body aircrafts;
- Boarding area E31-E44 (satellite) has 14 boarding gates, 11 of which equipped with loading bridges for wide body aircrafts and 3 bus gates;
- Boarding area E51-E61 (pier) has 11 boarding gates, of which two boarding gates equipped with loading bridges (9 bus gates at ground level currently not operative).

The people mover system was completed in November 1999 and consists of an automated passenger transport system with vehicles running on tracks which carry passengers between the West Satellite (boarding area E31-E44) and Terminal 3. The system runs on overhead tracks to avoid interfering with the movement of vehicles operating on the ramp. The system is 518 meter long and has a peak hour capacity of 6,000 passengers per hour per direction.

*Runways and airside*

Fiumicino Airport has three runways, certificated as “4F” according to ICAO requirements. Runways 16R/34L and 16L/34R are approximately 3.9 km long and are located approximately 4 km apart, parallel to the coast. Runway 07/25 is approximately 3.3 km long and is perpendicular to the other runways. All of Fiumicino’s runways, are well equipped with modern navigation aids and a precision Instrument Landing System (ILS) up to CAT. IIIb suitable for precision approaches.

Fiumicino Airport currently operates with a total capacity of 131 aircraft stands, which are where aircraft are parked, loaded, unloaded, refuelled and boarded. All stands are located south of runway 07/25; 128 stands are for passengers aircraft (78 are remote and 50 are contact stands) and 3 for cargo aircraft. The total passenger parking stands are divided in 22 for wide-body aircraft (up to 32 stands considering alternative configurations) and 106 for narrow-body aircraft.

According to “4F” certification, Fiumicino Airport has infrastructure with suitable characteristics, systems and instrument for A380 operations.

The aircraft taxiway system covers a total of approximately 31 km.

*Centralised infrastructure*

In 2000, ENAC identified the “**Centralised Infrastructure**” at Fiumicino as the infrastructure that, for reasons relating to costs, complexity or effect on the environment, cannot be subdivided or fragmented and granted their management to AdR. AdR is required to carry out the management of the Centralised Infrastructure on the basis of transparent, objective and non-discriminatory criteria that guarantee access to service providers and self-handling users. For further information on the centralised infrastructure managed by AdR, see “*Business Description of the Group — Business*

*activities and revenue generation — Aeronautical activities — Centralised infrastructure*”, above.

#### *Access to Fiumicino*

Fiumicino Airport is served by the Rome-Fiumicino motorway, the Rome-Civitavecchia motorway and other primary regional routes.

Fiumicino Airport is also currently served by a local regional train, the FL1 and a non-stop service, the Leonardo Express, both of which connect Fiumicino Airport with the centre of Rome.

Since December 2014, the airport has been served by high speed trains (currently 6 a day) with the aim of increasing connectivity and the catchment area to and from Florence, Bologna, Padua, Venice, Pisa and Genoa.

The internal road network within the Airport itself connects Fiumicino Airport to: (i) the railway station linking Fiumicino Airport to various parts of Rome; (ii) multi-storey car parks; (iii) Fiumicino Airport’s central area (where authorities’ headquarters, such as police airport offices, are based); (iv) the Hilton hotel complex; (v) Fiumicino Airport’s technical area, where AdR’s and Alitalia’s headquarters and aircraft maintenance buildings are located; (vi) Fiumicino Airport’s west area, where some ancillary facilities, such as the main fire station, fuel companies and the fuel farm, are located; and (v) cargo city complex, long term/60 minute free parking and taxi and bus remote parking in the east of the Airport premises. These areas are served by dedicated staff parking.

#### *Ciampino Airport*

##### *Overview*

Ciampino mainly serves low-cost carriers, charter flights, express-courier, general aviation activities and State flights (such as those carrying Ministers and members of other State authorities). During 2018 the airport attracted about 6 million passengers.

##### *The Site*

At the date of this Base Prospectus, Ciampino Airport covers a total area of approximately 2.2 km<sup>2</sup> near the small town of Ciampino, located approximately 14 km southeast of the centre of Rome.

##### *The Terminals*

There are two terminals, one for commercial aviation (low-cost flights) and one for general aviation (including aero-taxi).

##### *Runways and airside*

Ciampino Airport has one runway of approximately 2,203 m which is suitable for commercial flights. ENAC posed certain rules restricting the weight and type of aircraft permitted to use Ciampino Airport.

Ciampino airport currently operates with a total capacity of 82 aircraft stands, of which 22 are for commercial aviation, 60 are for general aviation, excluding an aircraft apron area reserved to military aircraft. The airport has 5 stands for helicopters.

#### **The Group’s Investment Programme**

##### *Historical capital expenditure*

Notwithstanding that none of the expected tariff increases (other than those strictly related to inflation starting from 2009) referred to in the AdR sale and purchase agreement dated 23 June 2000 were recognised to AdR, the investments made by AdR in the period 2001 – 2011 totalled approximately Euro 0.8 billion.

The Group's maintenance activities in the above mentioned period had been focused on maintaining adequate levels of quality, safety and proper functioning of the Rome Airport System as required by the competent Italian authorities and by international standards.

During the first regulatory period (2012-2016), capex totalled Euro 1.1 billion, as ERA approval has made it possible to start infrastructural development and quality improvement.

### ***The investment and development plan***

The Regulatory Framework envisages investments of approximately Euro 9.3 billion from 2017 to 2044<sup>7</sup>, Euro 3.8 billion of which will be for the expansion and maintenance of the current terminals, apron and related facilities.

In particular, the infrastructure is expected to allow AdR to meet expected demand during the concession period while supporting the constant improvement of the service level offered to passengers.

The initial phase includes the completion of the current infrastructure projects at Fiumicino South with the aim of improving the operation of the airport in line with the level of traffic expected in the next 10 years. The project, approved by ENAC on 22 July 2011, and by environmental and cultural ministry on August 2013, provides for the construction of further flight and terminal infrastructure until the saturation of the current site, thus aligning Fiumicino Airport facilities with those of the main European hubs. The main objectives of the completion project are to:

- reach the capacity of 63 million passengers per year in the short to medium term;
- support the growth in traffic with suitable airside infrastructure;
- improve the quality of the service offered to passengers;
- complete the use of the areas inside the current site;
- ensure full compliance with applicable environmental laws and urban compatibility; and
- strengthen the connection system and accessibility to the airport.

A second phase, to be implemented upon the expropriation of new land, includes the expansion of the airport to the north of the current runway 07-25. The completion of such development plan is expected to increase the overall capacity of Fiumicino from 63 to more than 90 million passengers per year. The expansion of the airport will be in line with the best international practices in terms of efficiency, energy savings, technology and architectural opportunities.

### ***Projected capital investment***

The main projects and works to be implemented by AdR to comply with its obligations under the Regulatory Framework are summarised below.

- *Plan for the completion of South-Fiumicino (focus 2017-2021)*
  - Approximately Euro 1.1 billion capital expenditures expected in the period 2017-2021;
  - Expansion of capacity from current 52 million passengers to 59 million passengers per year;

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(7) Source: Capex included in the Concession Financial Plan (updated in 2016); the figure does not include real estate initiatives.

- Apron extension from 122<sup>8</sup> to 141 aircraft stands. Additional 27 boarding bridges<sup>9</sup> (from 36 to 63);
- New terminals and Pier: T3 extension (completed in 2016), Pier E (completed in 2017), Pier A and T1 extension (work in progress);
- Terminal refurbishment: T3, T1 and Boarding Area C;
- Landside works: new freeway junction close to cargo city.

From 2022 to 2044, AdR is expected to make investments of approximately Euro 2.7 billion in connection with, *inter alia*, the completion of the east side aprons, the refurbishment of T3 and boarding area C, the new terminal / T3 expansion on the west side, as well as extraordinary maintenance and renovation /restructuring initiatives.

In addition to the development of aeronautical infrastructure, AdR is planning to invest around Euro 0.3 billion<sup>10</sup> in real estate initiatives landside, the most important of which are a business city, a new hotel (the third at Fiumicino) and a new office building.

- *Development of North-Fiumicino*
  - Approximately Euro 5.4 billion capital expenditures. Timing and strategy of execution dependent on actual traffic potential;
  - Total expected capacity up to 50 million passengers per year;
  - Preparatory activities: water drainage, soil excavation;
  - Up to 1,000 hectares of airport area extension, with up to 400,000 sqm of new terminal area available
  - Airside works: two further runways (4 e 5) and related taxiways, apron;
  - Terminals works: processor and 2 piers for Schengen and non Schengen flights;
  - Landside works: airport primary roads, curbside and internal road system;
  - Parking works: car park garage and remote car park;
  - Construction of an environmental park of 50 hectares; high percentage of renewable energy.

The development of North Fiumicino is currently under discussion between AdR and ENAC. For further information in this respect, see “*Recent Developments – Review of the capital investment and development of North-Fiumicino*” below.

- *Ciampino Airports*
  - Approximately Euro 0.1 billion capital expenditures;
  - Airside works: apron refurbishment, runway refurbishment;
  - Terminals works: refurbishment of commercial aviation terminal and general aviation terminal;

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<sup>(8)</sup> The number of aprons destined to passenger aircraft subject to extension is referred to the situation at the 31<sup>st</sup> December 2016 and does not include 6 stands located in the west area which became operational in 2017.

<sup>(9)</sup> 13 of which relate to Pier E, which became operational in stages in 2017.

<sup>(10)</sup> Extraordinary maintenance of planned real estate infrastructure is not included.

- Restoration and maintenance works.

As at 31 December 2018, the investments carried out by the Group amounted to Euro 182.1 million. For further information on the investments carried out in 2018, as well as on the projects completed or launched in the same period, see pages 48-53 of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018 incorporated by reference in this Base Prospectus (see “*Incorporation by Reference*” above).

### **Insurance**

AdR is liable for any damage caused to persons or things as a consequence of the activity carried out during the performance of the concession. Therefore, the Group maintains insurance policies as protection against risks associated with the management of the Rome Airport System as well as in relation to the activities of its subsidiaries.

In particular, pursuant to the Regulatory Framework, AdR must obtain an insurance policy with a leading insurance company for all assets that AdR allocates to airport management and to cover the following risks: (i) fire, as consequence, or not, of gross negligence by its employees or third parties; (ii) falling airplanes, or parts thereof, or things transported by them; (iii) explosion of steam engines; (iv) risks connected with solid, liquid and gas combustion plants, electrical systems in general and plants operated by radioactive substances; (v) heating and air conditioning system; and (vi) damage deriving from natural events.

In addition, AdR is bound to put in place an insurance policy to cover risks connected with the carrying out of its activities within the airport, for liability consequent upon material damage and business interruption damage that may be caused to the entities present within the Airports and/or to third parties.

The Regulatory Framework provides that in case of accidents, the compensation for damage liquidated in accordance with the insurance policy shall be paid by the insurance company to AdR, which is in turn required to cure the damage, subject to its right to require that the payment be made to its financial creditors to the extent the relevant financing arrangements so require.

If the value, for which compensation is due, as a consequence of damages ascribable to AdR’s responsibility, exceeds the individual limits of responsibility covered by the aforesaid policies, the relevant cost is to be borne entirely by AdR.

### **Environment**

AdR’s activities have a significant impact on the environment. As a result, the Group has gradually adopted policies, procedures, technical and organisational solutions and instruments aimed at analysing and regulating its operations related to land, landscape, green spaces, flora, fauna and water. AdR’s activities are focused on environmental management strategy, which has been integrated into its operation.

In particular, with respect to environmental sustainability, AdR participates in the ACA (Airport Carbon Accreditation) system of ACI Europe. In 2018, Fiumicino was recognised in the top level 3+ under the “Neutrality” ACA accreditation, and in March 2018 Ciampino Airport was also recognised at the same level for the first time.

In 2018, the certification of conformity of AdR’s Environmental Management System was renewed in accordance with the new standards set by ISO 14001:2015. This voluntary certification is the result of a series of initiatives that, over the years, have contributed to raising special awareness about environmental issues and bringing attention to the principles of sustainable ethics.

### **Legal Proceedings**

As part of the ordinary course of business, companies within the Group are subject to a number of

civil, administrative and tax proceedings relating to the management and development of the Rome Airport System. The Group has carried out a review of its ongoing litigation and provisions in the consolidated financial statements were made where disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made. As at 31 December 2018, AdR had a provision in its consolidated financial statement for risks and charges amounting to Euro 24.4 million. For a description of risks arising from legal proceedings, see “*Risk Factors*”, above.

In certain cases, where the negative outcome of disputes was merely possible, no specific provisions were made in AdR’s consolidated accounts in accordance with the principles and procedures governing the preparation of financial statements. In addition, the Group is involved in certain minor civil proceedings, for which no provisions for contingent liabilities were made, as the impact of any negative outcome could not be estimated.

A summary of the most significant proceedings in which AdR or Group companies are involved is set out under paragraph 9.5 of the “Notes to the consolidated financial statements” of the audited consolidated annual financial statements of AdR for the period ended 31 December 2018 headed “*Litigation*”, incorporated by reference into this Base Prospectus.

### **AdR’s financial indebtedness**

As at 31 December 2018, the Issuer had Euro 1,168.2 million of net indebtedness; as at 31 December 2017, such net indebtedness totalled Euro 1,189.7 million.

In particular, AdR’s financial indebtedness includes:

- (a) the Euro 600,000,000 3.250 per cent. Notes due 20 February 2021 (ISIN Code XS1004236185 / Common Code 100423618) issued by AdR under the Programme on 10 December 2013 (the “**Series 1 Notes**”), of which Euro 400,001,000 are outstanding as a result of the liability management exercise carried out in June 2017 and the use of a portion of the proceeds arising out of the issue of the Series 2 Notes (as defined below);
- (b) the £215,000,000 5.441 per cent. Class A4 Secured Notes due 2023 (ISIN Code XS0161620942 / Common Code 016162094) (the “**Class A4 Notes**”) following the substitution of AdR for Romulus Finance S.r.l. as principal and sole debtor and obligor in respect of the Class A4 Notes (the “**Issuer Substitution**”). With effect from the Issuer Substitution effective date (*i.e.* 20 March 2016), the covenants, events of default and other key commercial provisions of the terms and conditions of the Class A4 Notes are more closely aligned with the terms and conditions of the Series 1 Notes;
- (c) the Euro 500,000,000 1.625 per cent. Notes due 8 June 2027 (ISIN Code XS1627947440 / Common Code 162794744) issued by AdR under the Programme on 8 June 2017 (the “**Series 2 Notes**”);
- (d) the Euro 250,000,000 revolving credit facility (the “**2016 RCF**”) documented under an agreement entered into on 11 July 2016 among AdR and a pool of lenders. The 2016 RCF is undrawn;
- (e) the Euro 100,000,000 credit facility (the “**BNL Credit Facility**”) documented under an agreement entered into on 4 November 2016 between AdR and Banca Nazionale del Lavoro S.p.A. (a bank belonging to the BNP Paribas Group) which was already part of the pool of banks of the 2016 RCF. As at 31 December 2018, the BNL Credit Facility was fully drawn;
- (f) the Euro 150,000,000 credit facility (the “**EIB 2016 Credit Facility**”) documented under an agreement entered into on 13 December 2016 between AdR and the European Investment

Bank. As at 31 December 2018, Euro 110 million of the EIB 2016 Credit Facility had been drawn;

- (g) the Euro 150,000,000 credit facility (the “**CDP Credit Facility**”) documented under an agreement entered into on 27 December 2016 between AdR and Cassa Depositi e Prestiti. As at 31 December 2018, Euro 40 million of the CDP Credit Facility had been drawn; and
- (h) the Euro 200,000,000 credit facility (the “**EIB 2018 Credit Facility**”) documented under an agreement entered into on 23 March 2018 between AdR and the European Investment Bank. The EIB 2018 Credit Facility is undrawn.

For further information on AdR’s financial indebtedness see also paragraph 6.15 of the “Notes to the consolidated financial statements” of the audited consolidated annual financial statements of AdR for the period ended 31 December 2018 headed “*Financial liabilities (current and non-current share)*”, incorporated by reference into this Base Prospectus.

### **Recent developments**

#### ***Update on the Extraordinary Administration Procedure of Alitalia***

On 2 May 2017, the board of directors of Alitalia – following the shareholders’ meeting held on the same date – as set out in the Alitalia press release published on that date, “*having acknowledged the serious economic and financial situation of the company, of the unavailability of the shareholders to refinance and of the impossibility to find in a short period of time an alternative*”, unanimously decided to file a petition for the company’s admission to the Extraordinary Administration Procedure (as defined in “*Risk Factors – Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*” above).

Pursuant to the Alitalia MED Decree (as defined in “*Risk Factors – Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*” above), Alitalia was admitted to an Extraordinary Administration Procedure. The Alitalia MED Decree confirmed that (i) all the legal requirements for admission to the Extraordinary Administration Procedure had been met and (ii) as of 28 February 2017, Alitalia’s losses amounted to Euro 2.3 billion, against only Euro 921 million of income, and provided that Mr. Luigi Gubitosi (who resigned from office on 20 November 2018 and was replaced by Mr. Daniele Discepolo appointed on 6 December 2018 by the Italian Minister for Economic Development), Mr. Enrico Laghi and Mr. Stefano Paleari should be appointed, as a matter of urgency, as Extraordinary Commissioners (as defined in “*Risk Factors – Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*” above), to take care of the management of the company for a six month period and the filing with the Italian Minister for Economic Development of an economic and financial restructuring plan. The Alitalia MED Decree was immediately forwarded to the competent Bankruptcy Court (*tribunale fallimentare*) to obtain, as provided by law, the declaration of insolvency (*insolvenza*) of Alitalia. On 11 May 2017, the Bankruptcy Court of Civitavecchia declared the state of insolvency (*insolvenza*) of Alitalia.

In addition, pursuant to Law Decree No. 55/2017 of the Italian Government dated 2 May 2017, a Euro 600 million bridge loan was granted to Alitalia to avoid any service interruption, and to be used to cover “unpostponable needs” of the company and safeguard the system of international regulation of economic relationships between flight carriers.

In accordance with Law Decree No. 55/2017, on 17 May 2017 the Extraordinary Commissioners – following the authorisation of the Italian Minister for Economic Development – published an invitation (which is available on the Alitalia website) to express interest on a non-binding basis with the aim of defining the Extraordinary Administration Procedure in accordance with paragraphs a), b) and b-bis) of Article 27 of Legislative Decree No. 270/1999 (the “**Invitation**”).

The Invitation sets out certain eligibility criteria for entities to express interest, the minimum content of the expressions of interest and the procedures and deadline for submitting the expressions of interest. Furthermore, pursuant to the Invitation, each applicant was invited by the Extraordinary Commissioners to submit the content of the Alitalia Plan aimed at restoring the economic balance of Alitalia's business activities, which will be established and implemented by the Extraordinary Commissioners pursuant to Article 54 of Legislative Decree No. 270/1999.

The Alitalia Plan may be implemented in one of the following ways:

- (a) the transfer of the businesses owned by the company and the continuation of the business activity as a going concern;
- (b) the economic and financial restructuring of the company based on a rebalancing programme;
- (c) the transfer of assets owned and contracts performed by the company and the continuation of the business activity as a going concern.

On 23 January 2018 the Extraordinary Commissioners filed the proposed Alitalia Plan to be implemented by means of a transfer of the businesses as set out in letter (a) above. The Alitalia Plan was approved by the Italian Minister for Economic Development on 23 March 2018.

The selection of the asset purchaser is currently ongoing, with a deadline for the offeror to file its final and binding purchase offer currently set at 15 July 2019, which may be postponed by the Italian Minister for Economic Development.

Pursuant to Law Decree No. 148/2017 dated 16 October 2017, the Italian Government increased the bridge loan granted to Alitalia to Euro 900 million and extended the deadline for its repayment in full to 15 December 2018. Under Law Decree No. 34/2019 dated 30 April 2019, the Italian Government further provided that (i) the bridge loan was to be repaid by Alitalia in the context of the distribution of proceeds to the estate creditors and within the limits of the available proceeds, and (ii) interest on the bridge loan was to accrue until 31 May 2019 and was payable within 60 days from the decree of the Italian Minister for Economic Development authorising the transfer of the businesses.

As at the date of this Base Prospectus, it is not possible to assess the impact of the admission of Alitalia to the Extraordinary Administration Procedure and its outcome on the Group's business, financial condition and results of operations. For further information in this respect, see also "*Risk Factors – Risk relating to the Extraordinary Administration Procedure to which Alitalia is subject*" above.

### ***Traffic trends in the first four months of 2019***

In the first four months of 2019 the Rome Airport System recorded a 2.8% increase in passengers, driven by the rise in the international market, due to the combined effect of the significant increase in the EU component (up 2.5%) and, to a greater extent, in the non-EU component (up 6.7%). The domestic market, however, experienced a downturn, recording a decrease of 0.7%.

The chart below summarises the main traffic data for the relevant period.

	JAN. – APR. 2019	JAN. – APR. 2018	Δ%
<b>Movements (no)</b>	<b>110,622</b>	<b>107,205</b>	<b>3.2%</b>
Fiumicino	94,790	90,634	4.6%
Ciampino	15,832	16,571	(4.5%)
<b>Passengers (no)</b>	<b>14,367,939</b>	<b>13,982,996</b>	<b>2.8%</b>
Fiumicino	12,499,961	12,100,613	3.3%
Ciampino	1,867,978	1,882,383	(0.8%)
<b>Cargo (t)</b>	<b>59,242</b>	<b>62,710</b>	<b>(5.5%)</b>

Fiumicino	53,339	56,930	(6.3%)
Ciampino	5,903	5,780	2.1%

### ***Dividend distribution***

As at 31 December 2018, the profits (*utili*) resulting from the 2018 financial statements of AdR amounted to Euro 245,163,555.93.

On 16 April 2019, the shareholders' meeting of AdR resolved upon, *inter alia*, the allocation of the portion of profits (*utili*), related to the financial year ending 31 December 2018, equal to Euro 131,292,276.24, remaining following the distribution of interim dividends for 2018 for an aggregate amount of Euro 113,871,279.69 (equal to Euro 1.83 per share), as follows:

- (i) Euro 2.10 to dividends for each of the 62,224,743 shares issued by AdR, for an aggregate amount equal to Euro 130,671,960.30; and
- (ii) the remaining balance, equal to Euro 620,315.94, to be carried forward (*utili portati a nuovo*).

The dividends payment was made on 15 May 2019.

### ***Corporate governance***

In addition to the distribution of dividends, on 16 April 2019, the shareholders' meeting of AdR resolved upon, *inter alia*, the appointment of the new board of directors. For further information see "Corporate Governance" below.

### ***Review of the capital investment and development of North-Fiumicino***

The capital investment and development of North-Fiumicino provided under the investment plan are currently under discussion between AdR and ENAC (for further information in this respect, see "The Group's Investment Programme – Projected capital investment" above). As at the date of this Base Prospectus, AdR is considering redesigning the investment plan with respect to such terminal expansion with the aim of combining an efficient use of land resources, a scalable infrastructure and competitive tariffs. For further information on the risks related to the development and implementation of the investment plan, see "Risk Factors – The Group is subject to penalties or sanctions for non-performance of its obligations or default under the Concession and the Regulatory Framework, which, if unremedied, could result in the Concession and the Regulatory Framework being terminated" and "Risk Factors – The Group may not be able to implement the Investment Plan required under the Regulatory Framework within the agreed timeframe and budget, which may result in penalties and sanctions under the Regulatory Framework" above.

### ***Noise pollution and noise abatement at Ciampino Airport***

On 18 December 2018, the Ministry for the Environment and the Protection of Land and Sea (*Ministro dell'Ambiente e della Tutela del Territorio e del Mare*) approved the plan to contain and abate noise caused by Ciampino's aircraft traffic with Decree No. 345/2018 ("Decree 345/2018"), which sets out certain anti-noise measures including, *inter alia*, the reduction of daily flights from 97 to 65 (such reduction will be improved by 2021).

On 18 February 2019, Ryanair challenged Decree 345/2018 and the plan annexed to the same before the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale del Lazio*), seeking its annulment after suspension of effectiveness (*annullamento previa sospensione dell'efficacia*). On 8 May 2019, the Court upheld the suspension request only with respect to the reduction of the number of daily flights from 97 to 65, also in light of the fact that in January 2019 a new take-off procedure was launched by AdR (albeit on an experimental basis) at Ciampino which is aimed at improving the acoustic climate at the airport and which therefore may become a new anti-noise procedure. Such new

take-off procedure may strike a balance between the public interest, on the one hand, ensuring that the sleep of the population is not disrupted, and the interest of the aircraft operator and users, on the other hand, ensuring that the number of daily flights is not reduced. The next hearing is currently scheduled for 29 January 2020.

## CORPORATE GOVERNANCE

Corporate governance rules for Italian non-listed companies, such as AdR, are provided in the Italian Civil Code and, where applicable, in Legislative Decree No. 58, of 24 February 1998, as amended (the “**Financial Services Act**”), and the relevant implementing regulations.

AdR has adopted a traditional system of corporate governance, which includes a shareholders’ meeting, a board of directors and a board of statutory auditors.

### **Board of Directors and senior management**

#### *The Board of Directors and its members*

Pursuant to its by-laws, the management of AdR is entrusted to a collective body made up of no fewer than seven and no more than fifteen members appointed by shareholders and one of which is jointly appointed by the Municipality of Rome and the Municipality of Fiumicino pursuant to article 2449 of the Italian Civil Code (collectively the “**Board of Directors**”, each a “**Director**”).

Directors are appointed by the shareholders for a term determined at the relevant shareholders’ meeting, provided that such term cannot exceed three financial years. Directors can be reappointed following the expiry of their term.

The Board of Directors has broad powers to carry out the management of AdR. It is authorised to take all the steps that it deems appropriate in order to achieve AdR’s aims and corporate objectives in accordance with its corporate objects and with the exception of the powers expressly reserved to the shareholders’ meeting by law or AdR’s by-laws.

The shareholders’ meeting held on 16 April 2019 appointed AdR’s Board of Directors for a period of three years. The current Board of Directors comprises thirteen members, one of which will be jointly appointed by the Municipality of Rome and the Municipality of Fiumicino pursuant to AdR’s by-laws and article 2449 of the Italian Civil Code. Unless there is a cause for early termination, all the members will hold office until the shareholders’ meeting convened to approve AdR’s financial statements for the financial year ending 31 December 2021.

The following table sets out the current members of the AdR’s Board of Directors.

<u>Name</u>	<u>Position</u>
Antonio Catricalà.....	Chairman
Ugo de Carolis.....	Chief Executive Officer
Carla Angela.....	Director
Tommaso Barracco.....	Director
Giovanni Castellucci.....	Director
Michelangelo Damasco.....	Director
Elisabetta De Bernardi di Valserra.....	Director
Anna Beatrice Ferrino.....	Director
Francesco Panfilo.....	Director
Nicola Rossi.....	Director
Gennarino Tozzi.....	Director
Marco Troncone.....	Director

Pursuant to AdR’s by-laws and article 2449 of the Italian Civil Code, the thirteenth member of AdR’s Board of Directors will be jointly appointed by the Municipality of Rome and the Municipality of Fiumicino.

For the purposes of their function as members of the Board of Directors, the business address of each of the members of the Board of Directors is AdR’s registered office at Via Pier Paolo Racchetti, 1, 00054 Fiumicino (Rome), Italy.

### ***Other offices held by members of the Board of Directors***

The table below sets forth the offices on the boards of directors, boards of statutory auditors, supervisory committees or other main positions other than those within the Issuer held by the members of AdR's Board of Directors.

<b>Name</b>	<b>Main positions held outside the AdR Group</b>
Antonio Catricalà.....	Chairman of the Credit Agents and Intermediaries Body ( <i>Organismo degli Agenti e dei Mediatori Creditizi</i> ) Chairman of the Enterprise Qualification Committee ( <i>Comitato Qualificazione Imprese</i> ) of Terna S.p.A. Independent Director of Gruppo Caltagirone Editore S.p.A.
Ugo de Carolis.....	N.A.
Carla Angela.....	Deputy Chairman and Director of S2C S.p.A. Compagnia di Assicurazioni di Crediti e Cauzioni
Tommaso Barracco.....	Sole Director of Barracco & Co S.r.l.
Giovanni Castellucci.....	Chief Executive Officer and General Manager of Atlantia S.p.A. Director of Abertis Infraestructuras S.A. Director of Autostrade dell'Atlantico S.r.l. Member of the Supevisory Board of Aéroports de la Côte d'Azur S.A. Director of Getlink S.E.
Michelangelo Damasco.....	Deputy Chairman of Autostrade per l'Italia S.p.A. Chairman and Chief Executive Officer of Azzurra Aeroporti S.p.A. Chairman of Abertis Holdco S.A. Member of the Supevisory Board of Aéroports de la Côte d'Azur Director of Telepass S.p.A. Director of Autostrade dell'Atlantico S.r.l. Director of AB Concessoes S.A. Director of Rodovias das Colinas S.A. Director of Triangulo do Sol Auto Estradas S.A.
Elisabetta De Bernardi di Valserra.....	Director of Cellnex Telecom S.A. Director of Getlink S.E. Chief Executive Officer of Connect S.p.A. Director of Sintonia S.A.
Anna Beatrice Ferrino.....	Chief Executive Officer and Director of Ferrino & C S.p.A. Deputy Chairman of Fondazione Crt Deputy Chairman of Assosport Director of Società Consortile Ogr Director of Fondazione Specchio dei Tempi

<b>Name</b>	<b>Main positions held outside the AdR Group</b>
Francesco Panfilo.....	Deputy Chairman and Director of Coster Tecnologie Speciali S.p.A. Director of AEB S.p.A. Director of Elle 52 Director of Benetton Group Director of Olimpias S.p.A. Director of Elemaster S.p.A. Chairman of Panakes Partners SGR S.p.A.
Nicola Rossi.....	Independent Director and Chairman of the Board of Directors of Symphonia SGR S.p.A. Independent Director and Chairman of the Board of Directors of Sistan SGR S.p.A. Independent Director and Chairman of the Board of Directors of Banca Popolare del Lazio ScpA Independent Director of Fondazione Istituto Bruno Leoni Sole Director of Azienda Agricola Cefalicchio Sarl
Gennarino Tozzi .....	Chairman of the Board of Directors of Tangenziale Esterna di Milano S.p.A. Chairman of the Board of Directors of Tangenziale Esterna S.p.A. Chairman of Pavimental S.p.A. Director of Azzurra Aeroporti S.p.A. Director of Spea Engineering S.p.A. Director of Aeroporto Guglielmo Marconi di Bologna S.p.A. Director of Società Autostrada Tirrenica S.p.A.
Marco Troncone.....	Director of Aeroports de la Cote d'Azur Director of Azzurra Aeroporti S.p.A. Director of Pavimental S.p.A. Director of Aeroporto di Bologna

### **Senior Management**

The following table sets forth the members of AdR's senior management, together with their current positions.

<b>Name</b>	<b>Position</b>
Gian Luca Littarru .....	General Manager
Ivan Bassato.....	Airport Management
Paolo Berti .....	Tenders and Contracts
Guglielmo Bove.....	Legal and Corporate
Monica Cacciapuoti .....	Human Resource
Fabio Capozio.....	Administration & Finance
Filippo Maria Carbonari .....	Real Estate
Giorgio Gregori .....	Infrastructure

<b>Name</b>	<b>Position</b>
Giorgio Moroni.....	Commercial Services
Fausto Palombelli .....	Commercial Aviation
Emiliano Sorrenti.....	ICT

## **Board of Statutory Auditors**

### ***The Board of Statutory Auditors and its members***

Pursuant to AdR’s by-laws, the board of statutory auditors is composed of five auditors and two alternate auditors, each of which must meet the requirements provided for by applicable law and AdR’ by-laws (collectively the “**Board of Statutory Auditors**”, each a “**Statutory Auditor**”). The alternate auditors will replace any statutory auditor who resigns, or is otherwise unable to continue to serve as an auditor. The members of the Board of Statutory Auditors are appointed by the shareholders at a shareholders’ meeting and, pursuant to Article 5 of the Regulatory Framework (implementing the provisions of Article 5, Paragraph 2, item 8, of Law No. 755/73), three of such members are designated by the Italian Ministry of Economy and Finance (*Ministro dell’economia e delle finanze*), the Italian Minister of Infrastructure and Transport (*Ministro delle infrastrutture e dei trasporti*) and the Italian Minister of Economic Development (*Ministro dello sviluppo economico*), respectively. The Board of Statutory Auditors is chaired by the auditor designated by the Minister of Economy and Finance.

The members of the Board of Statutory Auditors are appointed for three financial years and may be re-elected. They may be removed only upon the occurrence of a just cause (*giusta causa* pursuant to Italian law) and with the approval of an Italian Court.

The Board of Statutory Auditors is the corporate body that, *inter alia*, must oversee AdR’s compliance with applicable laws and by-laws as well as proper administration and verify the adequacy of internal controls and accounting reporting systems.

The shareholders’ meeting held on 16 April 2019 appointed AdR’s Board of Statutory Auditors for a period of three financial years, until the shareholders’ meeting convened to approve AdR’s financial statements for the financial year ending 31 December 2021.

The following table sets out the current members of the Board of Statutory Auditors.

<b>Name</b>	<b>Position</b>
Alessandra dal Verme <sup>(1)</sup> .....	Chairman
Pasquale De Falco <sup>(2)</sup> .....	Member
Alessandro Bonura.....	Member
Maurizio De Filippo <sup>(3)</sup> .....	Member
Pier Vittorio Vietti .....	Member
Francesco Follina.....	Alternate Auditor
Carlo Regoliosi .....	Alternate Auditor

(1) Auditor designated by the Italian Minister of Economy and Finance.

(2) Auditor designated by the Italian Minister of Infrastructure and Transport.

(3) Auditor designated by the Italian Minister of Economic Development.

For the purposes of their function as members of the Board of Statutory Auditors, the business address of each of the members of the Board of Statutory Auditors is the Issuer’s registered office at Via Pier Paolo Racchetti, 1, 00054 Fiumicino (Rome), Italy.

### ***Other offices held by members of the Board of Statutory Auditors***

The table below sets forth the offices on the boards of directors, boards of statutory auditors, supervisory committees or other main positions other than those within the Issuer held by the members of AdR's Board of Statutory Auditors.

Name	Main positions held outside the AdR Group
Alessandra dal Verme.....	<p>Member of the Joint Committee of the National Observatory on Local Public Transportation Policies (<i>Comitato Paritetico dell'Osservatorio Nazionale sulle politiche di trasporto pubblico locale</i>) representing the Italian Minister of Economy and Finance</p> <p>Member of the Advisory Board for the Implementation and Regulation of public utility services (<i>Nucleo di consulenza per l'attuazione e la regolazione dei servizi di pubblica utilità</i>) representing the Italian Minister of Economy and Finance</p> <p>Statutory Auditor of Cassa depositi e prestiti S.p.A.</p> <p>Chairman of the Board of Statutory Auditor of Consip S.p.A.</p> <p>Member of the Partnership for logistics and transports (<i>Partenariato per la logistica e i Trasporti</i>) at the Italian Minister of Infrastructure and Transport representing the Italian Minister of Economy and Finance</p> <p>Member of the technical body of the Observatory for school buildings (<i>Osservatorio per l'edilizia scolastica</i>) referred to in article 3 of Ministerial Decree No. 88/2014, representing the Italian Minister of Economy and Finance</p>
Pasquale De Falco.....	Statutory Auditor of Azienda Sanitaria Locale di Salerno
Alessandro Bonura.....	<p>Sole Director of B&amp;B Consulting S.r.l.</p> <p>Sole Director of Immobiliare For.gian. S.r.l.</p> <p>General Manager of Astri Fondo Pensione</p> <p>Extraordinary Commissioner of Istituto di Vigilanza La Ronda in A.S.</p> <p>Chairman of the Supervisory Committee of Udelda Aed Group S.p.A. in A.S.</p> <p>Chairman of the Board of Statutory Auditors of Fasda Fondo Sanitario</p> <p>Chairman of the Board of Statutory Auditors of Health Care Italia S.p.A.</p> <p>Statutory Auditor of Federazione Imprese Servizi</p> <p>Statutory Auditor of Aeroporto di Bologna S.p.A.</p> <p>Sole Statutory Auditor of Casa di Cura Villa dei Fiori S.r.l.</p> <p>Statutory Auditor of Servizi Porto Marghera S.c.a.r.l.</p> <p>Statutory Auditor of Autostrade dell'Atlantico S.r.l.</p> <p>Statutory Auditor of 4G Retail S.r.l.</p> <p>Statutory Auditor of Flash Fiber S.r.l.</p> <p>Sole Auditor of Fondazione Endisu</p>
Maurizio De Filippo .....	<p>Statutory Auditor of Soc. Fidicalcio Scarl in liquidazione</p> <p>Alternate Auditor of Sport Invest 2000 – Inv. Imm.ri Sportivi</p>

Name	Main positions held outside the AdR Group
	<p>S.p.A.  Statutory Auditor of ENEL Greenpower Solar Methara S.p.A.  Alternate Auditor of UTM Systems &amp; Services S.r.l.  Chairman of the Board of Statutory Auditors of GNL Italia S.p.A.  Statutory Auditor of ALES – Arte Lavoro e Servizi S.p.A.  Alternate Auditor of ENEL S.p.A.</p>
Pier Vittorio Vietti.....	<p>Chairman of the Board of Auditors Union Camere Piemonte  Chairman of the Board of Statutory Auditors of Pegaso Investimenti – Campioni di Impresa S.p.A.  Chairman of the Board of Statutory Auditors of Ream S.G.R. S.p.A.  Statutory Auditor of Altec S.p.A.  Statutory Auditor of Ansaldo Energia S.p.A.  Statutory Auditor of Bell Prodction S.r.l.  Sole Director of Maria Vittoria S.r.l.  Sole Director of La Romanina S.r.l.  Director of Ascomfidi Nord-Ovest Soc. Coop.  Managing Director of Snata Croce S.r.l.</p>
Francesco Follina.....	<p>Statutory Auditor of Air Trading S.r.l.  Statutory Auditor of Azzurra S.p.A.  Chairman of the Board of Statutory Auditors of Cellnex Italia S.p.A.  Chairman of the Board of Statutory Auditors of Consorzio Centro Direzionale Casilino  Statutory Auditor of Consorzio M2 Casal Bernocchi  Statutory Auditor of Cresme Ricerche S.p.A.  Statutory Auditor of Dedem S.p.A.  Statutory Auditor of Galata S.p.A.  Statutory Auditor of Giove Clear S.r.l.  Statutory Auditor of Immobil Fin S.r.l.  Sole Statutory Auditor of Immobiliare Barberini S.r.l.  Statutory Auditor of Infoblu S.p.A.  Chairman of the Board of Statutory Auditors of Italstem S.p.A.  Liquidator of Paolo Glisenti Consulenza in liquidazione;  Chairman of the Board of Statutory Auditors of Serileasing S.r.l.;</p> <p>Statutory Auditor of Tangenziale di Napoli S.p.A.  Statutory Auditor of Towerco S.p.A.</p>
Carlo Regoliosi.....	<p>Chairman of the Board of Statutory Auditors of AD Advisory S.p.A  Chairman of the Board of Statutory Auditors of Rockagent S.p.A.  Statutory Auditor of Duepuntozero NPL S.p.A.</p>

Name	Main positions held outside the AdR Group
	Statutory Auditor of Telepass Pay S.p.A.
	Statutory Auditor of IMEL
	Statutory Auditor of Telepass S.p.A.
	Statutory Auditor of Telenergia S.r.l.

### Conflict of Interest

Except as disclosed in “*Relations with related parties*” below, there are no potential or existing conflicts of interest between the duties of the members of the Board of Directors and the Board of Statutory Auditors and their private interests or other duties.

### Shareholders

As of 1 December 2013, the date on which the merger by way of incorporation of Gemina into Atlantia S.p.A. became effective (the “**Merger Effective Date**”), Atlantia S.p.A. became the controlling shareholder of AdR, holding 96.7% of the share capital of AdR. Sintonia S.p.A. is the controlling shareholder of Atlantia S.p.A., holding 30.254% of its share capital and it is indirectly controlled by Edizione S.r.l, which is in turn indirectly controlled by members of the Benetton family.

The following table shows the shareholders of AdR as of the date of this Base Prospectus, based on AdR’s shareholders register.

Shareholders	Ownership Interest
Atlantia S.p.A. ....	99.384%
Città metropolitana di Roma Capitale.....	0.251%
Municipality of Fiumicino .....	0.100%
Others .....	0.265%
<b>Total</b> .....	<b>100.00%</b>

Under Article 3, Paragraph 6 of the Regulatory Framework, the entity controlling AdR pursuant to Article 2359 of the Italian Civil Code is required to meet the following conditions: (i) the shareholders’ equity of such entity, as recorded in the last approved audited financial statements, must be equal to, or higher than, Euro 1 million for each percentage point of participation held in AdR’s share capital; (ii) it shall ensure that AdR’s offices remain in Italy, for tax purposes as well as its technical and organisational responsibilities for the performance of the duties of AdR set out in Article 2 of the Regulatory Framework; and (iii) its management body shall be composed by as many directors and statutory auditors required who meet the criteria of professionalism and, if applicable, of independence required by the Financial Services Act, and who also meet the criteria of good standing provided for the purposes of the listing on the stock exchange by the laws of the country where the entity is registered.

### Relations with related parties

Information on relations and transactions with related parties entered into by AdR, directly or through its subsidiaries, are described under Note 10 headed “*Transactions with related parties*” on pages 198-199 of the consolidated annual financial statements of AdR as at and for the year ended 31 December 2018.

### Code of Ethics, Model pursuant to Legislative Decree No. 231/2001 and Supervisory Board

The Issuer has also implemented the code of ethics which was first adopted in 2003 by Atlantia S.p.A., its controlling shareholder. In addition, the Issuer has also adopted an Organisation

Management and Supervision Model (the “**Model**”) to ensure conditions of fairness and transparency in the conduct of its business and corporate activities, according to Italian Legislative Decree No. 231/2001 (“*Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica, a norma dell’articolo 11 della legge 29 settembre 2000, n. 300*”), which was first approved in 2007 and subsequently updated. The Model provides guidelines to prevent management and employees from committing offences which may cause the company to become liable pursuant to the above-mentioned legislative decree. A copy of the Model is available on the website of the Issuer at: <http://www.adr.it/web/aeroporti-di-roma-en-azn-organizational-model>. In 2007, the Issuer also appointed the Supervisory Body (“*Organismo di Vigilanza*”) as the collective body responsible for monitoring the operation, effectiveness and compliance with the Model as well as keeping the Model updated. The current members of the Supervisory Body are Ms. Liliana Ferraro (Chairman), Mr. Franco Mottola and Mr. Marco Mencagli.

### **Independent Auditors**

The independent auditors ascertain whether the accounting records are properly maintained and faithfully record the results of operations. They also determine whether the statutory financial statements and the consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and whether they comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the board of directors may ask them to perform, provided they are not incompatible with their audit assignment.

The Issuer’s current independent auditors are EY S.p.A., with registered office at Via Po 32, 00198, Rome, Italy (the “**Independent Auditors**”).

EY S.p.A. is authorised and regulated by the Italian Ministry of Economy and Finance (“**MEF**”) and registered on the special register of auditing firms held by MEF. The Independent Auditors’ current appointment was conferred for the period 2013 to 2021 by the shareholders’ meeting held on 9 April 2013 and will expire on the date of the shareholders’ meeting convened to approve AdR’s financial statements for the financial year ending 2021.

## REGULATORY FRAMEWORK

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

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

### Overview

With respect to the management of the Rome Airport System, AdR operates in a highly regulated environment and is subject to certain rules and regulations, including, *inter alia*, statutory provisions governing public utilities services and monopolies. In particular, AdR is required to operate in accordance with the Regulatory Framework (as defined below), regulations issued by *Ente Nazionale per l'Aviazione Civile* (“ENAC”), the Italian Civil Aviation Authority and other competent authorities, as well as any applicable international, European and national laws.

The Italian aviation and airport management sector is governed by a series of international treaties and protocols, standards issued by the relevant international organisations, European Union directives and regulations, Italian laws, ministerial decrees and resolutions, ENAC regulations and ART (as defined below) decisions issued and amended over time, in addition to generally applicable laws and specific legislation, such as Royal Decree No. 327 of 30 March 1942, as amended and supplemented (the “**Navigation Code**” (*Codice della Navigazione*)), setting forth, *inter alia*, the duties and responsibilities with respect to airport management.

The main international rules governing international civil aviation are set out in, *inter alia*, the Chicago Convention of 1944 (*Convention on International Civil Aviation*) and its “technical” annexes, as amended, as well as the Kyoto Protocol to the United Nations Framework Convention on Climate Change and standards issued by the relevant international civil aviation organisations (of which ENAC is a member as representative of the Republic of Italy), such as, *inter alios*, the International Civil Aviation Organisation (“**ICAO**”).

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

With respect to Italian legislation, the Navigation Code sets forth the national regulatory framework of the civil aviation sector and the general principles governing the award of concessions for the management of Italian airports or airport systems. In particular, Article 704 of the Navigation Code provides that concessions can be awarded, upon ENAC's proposal, for a period of up to forty years to a provider selected through a public tender. Concessions are awarded through a Decree issued by the *Ministero delle infrastrutture e dei trasporti* (the “**Ministry of Infrastructure and Transportation**”, or the “**MIT**”) in agreement with the *Ministero dell'Economia e delle Finanze* (the “**Ministry of the Economy and Finance**” or the “**MEF**”) and, in the case of airports serving both civilian and military uses, in agreement also with the *Ministero della Difesa* (the “**Ministry of Defence**”). The award of concessions is subject to the execution of an agreement (*convenzione*) between ENAC and the company selected for the management of the relevant airport. Furthermore, ENAC and such company must enter into, within six months from the conclusion of the first financial year following the award of the concession, an economic regulation agreement (*contratto di programma*) implementing, with respect to investments, the regulations and requirements provided under resolution No. 38/2007 (“**Resolution No. 38/2007**”), as amended, issued by the CIPE (*Comitato Interministeriale per la Programmazione Economica*) (the “**CIPE**”).

Additional and/or specific legislation or regulations issued by the competent authorities may supplement the above general regulatory framework.

## ENAC

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

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

In order to achieve such statutory purpose, ENAC issued (i) the Passenger's Chart (*Carta dei diritti del passeggero*), which is a practical *vade mecum* providing for international, EU (with particular regards to EU regulation No. 261/2004) and national law provisions governing the claim and compensation procedures available to passengers in case of non-compliance with applicable regulations relating to the rights of air passengers by airport operators or airline companies, and (ii) the Standards of the Chart of Airport Services (*Standard minimi della Carta dei servizi dei gestori aeroportuali*) that sets out the minimum quality standards that airport operators are required to comply with in relation to their relevant services.

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

In relation to security matters, Italian Law Decree No. 101 of 31 August 2013, converted into Law No. 125 of 30 October 2013, as amended, has introduced new regulations on airport control services, granting ENAC the power to entrust the airport operator – in compliance with EU principles – with (a) the control services for airport personnel and the crews that access the “sterile” or “secure” areas through the terminals, (b) the control services for airport personnel and any other person accessing the “sterile” or “secure” areas through points other than the internal ones and (c) the control service for the vehicles that need to reach a “sterile” or “secure” area of the grounds for the access to which special checks are required. The services must be carried out according to the procedures envisaged by the national security programme and with the supervision of the police forces as set by the local security system. Any regulatory change with consequent higher charges for the airport operator must result in the inclusion in the fee of the costs related to the regulated services.

ENAC's headquarters are in Rome and its representative offices are located in all major Italian airports.

### **The Independent Regulatory Authority**

Law Decree No. 201 of 6 December 2011 (converted into Law No. 214 of 22 December 2011) and Law Decree No. 1 of 24 January 2012 (converted into Law No. 27 of 24 March 2012), both as amended, provided for the establishment of an independent supervisory authority in the transportation sector in Italy (the “**Independent Regulatory Authority**” or “**ART**”, acronym of “*Autorità di Regolazione dei Trasporti*”).

The Independent Regulatory Authority's main role is the economic regulation in the field of transport and access to related infrastructure and services, as well as the definition of the quality levels of

transport services and the minimum content of the rights that may be claimed by users against infrastructure managers.

The Decree of the President of the Republic of 9 August 2013 appointed three members of the ART for a term of seven years.

As far as economic regulatory powers are concerned, in October 2014 ART issued guidelines, which were subsequently updated, for tariff setting for airports grouped in three classes according to size (above 5 million, between 3 and 5 million, below 2 million passengers per annum). However, such guidelines do not apply to Italy's three major airport managers of Rome, Milan and Venice which, pursuant to Italian Law Decree No. 78 of 1 July 2009, have entered into *ad hoc* agreements with ENAC such as the Regulatory Framework (as defined below) entered into by ENAC and AdR (see, *inter alia*, “*The Regulatory Framework – General*” below).

Within this framework, pursuant to Italian Law No. 37 of 3 May 2019, ART is in charge of regulatory surveillance as foreseen by EU Directive 2009/12/EC in the event of disputes between airport managers, ENAC and users during the annual process of consultation on updates relating to regulated charges.

### **The Regulatory Framework – General**

Following the issue of a decree by the Italian Prime Minister on 21 December 2012 and the entering into of an additional deed aimed at implementing certain regulations and amendments requested by the Italian Government on 27 December 2012 (the “**First Additional Deed**”), the approval process of the “Agreement (*Convenzione*) for the management of the Rome airport system and Economic Regulation Agreement (*Contratto di programma*), pursuant to Article 17, paragraph 34-*bis*, of Italian law decree No. 78 of 1 July 2009, amended and converted into Italian law No. 102 of 3 August 2009, including the principles and criteria for its periodical update” (collectively defined as the “**Regulatory Framework**”) between AdR and ENAC was completed.

The Regulatory Framework includes provisions governing the management of the Rome Airport System (the “**Concession**”), which has replaced and superseded the Original Concession (as defined in the section headed “*Business Description of the Group – History and Development – The Original Concession*”), and the economic regulation and the new tariff system (the Economic Regulation Agreement, or “**ERA**”) which contains some provisions which provide for derogation from CIPE's Resolution No. 38/2007 in accordance with law No. 102 of 3 August 2009 for Italy's top three airports (Fiumicino Airport being one of such airports). Furthermore, the Regulatory Framework sets forth (a) new detailed rules on the rights and obligations of AdR, (b) a revised investment plan and (c) a new formula for tariffs and tariff adjustments.

The main features of the Regulatory Framework are:

- increased transparency and stability in the applicable tariff framework for the whole concession period based on a full “dual till” system (as detailed below);
- greater clarity in the description of AdR's rights and obligations with respect to its operation of the Rome Airport System for the whole concession period; and
- AdR is required to promptly implement the investment plan approved by ENAC provided for in the Concession, which provides for approximately Euro 2.7 billion to be invested by 2021, up to Euro 12 billion by 2044<sup>11</sup>, for the purposes of the expansion of the current terminals, the construction of an additional runway and the northbound expansion of Fiumicino Airport with the aim of developing the infrastructure of Fiumicino and Ciampino airports and increasing the capacity and quality of the Rome Airport System.

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(<sup>11</sup>) Source: Schedule 2 of the Economic Regulation Agreement (*contratto di programma*) signed by AdR and ENAC.

In particular, in order to encourage the development of the infrastructure of the Rome Airport System, the ERA has introduced a long-term tariff system which, taking into account the prevailing European standards, is based on (i) the costs of the new and improved infrastructure, (ii) the costs of the services necessary to increase efficiency, (iii) criteria designed to fairly remunerate AdR for its investments in the Rome Airport System (without distinguishing between capital expenditures related to maintenance and those related to development) and (iv) providing tariff adjustment recalculation formulas valid for the residual term of the Concession.

### ***The Regulatory Framework – Second Additional Deed***

By a decree dated 31 January 2014, the Italian Prime Minister has approved the second additional deed to the Regulatory Framework entered into by ENAC and AdR on 23 December 2013 (the “**Second Additional Deed**”). Such Second Additional Deed has been entered into to replace Annex 9 to the Regulatory Framework. The new Annex 9, dealing with tariff arrangements, provides for a different graduation of the fees on transit passengers with a corresponding rebalancing of the fees for outbound passengers.

### ***The Regulatory Framework – Third Additional Deed***

On 9 December 2014, AdR and ENAC entered into a third additional deed to the Regulatory Framework (the “**Third Additional Deed**”). Such Third Additional Deed has been entered into to integrate Annex 10 to the Regulatory Framework which deals with the selection of indicators to monitor progress on quality of service and environmental protection and relevant targets. The integration provides for a new set of parameters aimed at comparing the performance of Fiumicino and Ciampino Airports on quality of service with those of their European peers.

## **The Concession – Main Concession Terms**

### ***AdR obligations***

- manage the Rome Airport System as a set of organised assets, activities and services, directly or indirectly, in relation to aviation activities;
- develop the Rome Airport System in compliance with transport policies and technical guidelines prescribed by the Italian regulatory authorities, and based on the principle of transparency and non-discrimination;
- submit the “Airport Development Plan” (including any subsequent adjustments, changes and updates to such plan) detailing the proposed development of the airport facilities and the relevant “Economic and Financial Plan”, which is subject to ENAC’s prior approval;
- develop the Rome Airport System in compliance with the aforementioned “Airport Development Plan” and “Economic and Financial Plan”, as approved by ENAC;
- provide, in a continuous, regular, impartial and non-discriminatory manner, certain airport services falling within its responsibility, including without limitation, cleaning services, waste disposal, snow removal, waste, water and drinking water treatment, lawn mowing, maintenance of work facilities and other complementary activities connected to the effective management of the Rome Airport System;
- comply with certain financial covenants throughout the period of the Concession and, in particular ensure that:
  - the maturity of AdR’s financial indebtedness is shorter than the residual duration of the Concession;
  - the ratio of operating cash flow to debt service (where the latter is defined as the fixed annual instalments, inclusive of interest and principal, necessary to repay AdR’s net financial

indebtedness resulting from the latest approved annual accounts before the expiry of the Concession at its stated maturity date, assuming a market interest rate) based on the last approved financial statements, be not lower than 1.2:1; and

- provide for and maintain in its by-laws (i) measures aimed at preventing conflicts of interest of directors and (ii) special requirements of good standing and competence to be complied with by its directors.

In accordance with the Concession, AdR is required to (i) maintain certain levels of quality for passenger services, as provided for in the Chart of Airport Standard Services (*Carta dei servizi*) referred to above, and (ii) submit to ENAC periodic updates containing data relating to the quality of such services.

Furthermore, under the Concession, AdR is required to pay a concession fee determined on the basis of a complex formula which depends upon, *inter alia*, traffic volumes. Whilst the concession fee and its formula were in existence prior to the introduction of the Regulatory Framework, the fee amounts rose with new ERA (as defined below). Indeed, the ERA provides for a correlation between tariff revenue and the cost of regulated services which implies that the concession fee is in large part reflected in the higher tariff levels.

### ***Asset regime***

The Concession confers on AdR the exclusive right to use the areas, the properties and fixtures that form part of the Rome Airport System. For the entire term of the Concession, AdR is the “owner entity” pursuant to, and for the purposes of, the “Code of Traffic” (*Codice della Strada*) and the relevant regulations. The Concession provides that the work carried out by AdR within the airports, both internal and external, will remain under the ownership of AdR until the expiry (or, otherwise, termination) of the Concession. In addition, the work carried out by sub-concessionaires (*subconcessionari*) will remain under their ownership, until the expiry (or, otherwise, termination) of each respective sub-concession, subject to the provisions set forth in the contracts regulating such sub-concessionary relationships. For further information on sub-concessions, see “—*Sub-concession*” below.

In the case of requirements expressed by the Italian public administrations and State entities, AdR shall, on the basis of a plan defined jointly with ENAC, identify and make available the premises and areas within the airport grounds to such public administration and State entities for the performance of their institutional duties relating to the management of aircraft, passengers and goods.

### ***Sub-concession***

Subject to ENAC’s authorisation, AdR may grant any sub-concession for the management of areas and premises intended to be used in connection with aviation activities. Following the expiry of a 30 day period after submission of AdR’s request, if there is no reply from ENAC, the authorisation is deemed to be granted. Upon giving prior written notice to ENAC, AdR may also grant sub-concessions for the management of areas and premises intended to be used in connection with non-aviation activities, including, without limitation, commercial activities, logistics, and those activities aimed at the supply of utilities and services to public and private entities, in accordance with the utilisation plans approved by ENAC.

In any event, each sub-concession relationship is required to (i) contain a clause providing that the sub-concessionaire be bound to comply with the Chart of Airport Standard Services (*Carta dei servizi*) and the rules and regulations applicable to the airport, (ii) be established for no longer than the term of the Concession and (iii) be terminated by operation of law in case of expiry, discontinuance due to termination, revocation or cancellation of the Concession.

Furthermore, AdR is required to ensure that third parties operating within the airport pursuant to any sub-concession arrangement will take out adequate insurance policies against all risks connected with

the performance of their activities within the airport, in compliance with the applicable ENAC instructions and regulations.

### ***Extraordinary transactions***

Certain extraordinary transactions involving AdR, such as, *inter alia*, mergers, de-mergers, transfers of businesses or specific business branches, changes in the registered office or corporate purpose, or upon any winding-up, will require the prior express approval of ENAC, provided that should a 60-day period from the submission of AdR's request for authorisation lapse without any reply from ENAC, the authorisation is deemed to be granted.

There are also additional limitations regarding the disposal by AdR of equity interests in its subsidiaries if certain financial covenants/parameters cannot be complied with.

ENAC's prior approval is also required for any transactions that could result in a change of control of AdR; however, such consent is not required for any transaction that could result in a change of control of the controlling entity of AdR *i.e.* an indirect change of control of AdR.

### ***Early Termination of the Concession***

The Regulatory Framework sets out procedures for early termination of the Concession. In particular, the Regulatory Framework provides for (a) the revocation of the Concession for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law, (b) the discontinuance upon termination of the Concession (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and (c) the withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law, in each case as detailed further below.

#### *Revocation of the Concession for public interest reasons (Revoca per ragioni di interesse pubblico pursuant to Italian law)*

Upon the occurrence of valid public interest reasons ( *motivate esigenze di interesse pubblico* pursuant to Italian law), and upon ENAC's proposal, the Italian Minister of Infrastructure and Transport, in agreement with the Italian Minister of Economy and Finance, may issue an order of revocation of the Concession and appoint a commissioner/administrator, with such remit, responsibilities, powers and resources as deemed appropriate. The effectiveness of the inter-ministerial order is also subject to the payment by the new concessionaire taking over the Concession from AdR of a Compensation Payment (as defined below) to AdR within 30 months from the date on which the decree ordering the revocation of the Concession is enacted.

#### *Discontinuation of the Concession relationship due to termination of the Concession (Cessazione del rapporto concessorio per risoluzione della convenzione pursuant to Italian law)*

Each of AdR and ENAC, as the case may be, may declare the Concession terminated in the following cases:

- the procedure for the approval of the proposal amending the "Airport Development Plan" submitted, from time to time, by AdR, following changes in the legal framework or supervening needs relating to security, regularity of air transport or otherwise connected with the volume of traffic, is not completed within 180 days from its filing with ENAC; or
- following a change in the economic and financial viability of the last approved Economic and Financial Plan, due to *force majeure* events or other events beyond AdR's responsibility or material changes to the legal framework, no agreement ensuring the economic and financial balance is reached between ENAC and AdR within 180 days from such change; or
- AdR and ENAC fail to reach an agreement with respect to the formulae to be used for the calculation of the tariff levels in the subsequent 10 year tariff regulation period; or

- new legal provisions in relation to the tariff system are enacted (a) introducing changes to (i) the treatment of revenues arising from non-regulated activities, to the effect that such revenues would be allocated, wholly or partially, to full or partial recovery of the costs of the regulated activities (so called “dual till” regime, as detailed further below) and (ii) the criteria for calculation of the regulatory asset base (value of the regulatory net invested capital, the “**RAB**”) and of the return on capital investments; and (b) imposing limitations on the profitability of regulated and/or non-regulated airport activities.

ENAC is required to justify the discontinuation of the Concession to the MIT, which in turn is required to adopt, in agreement with the MEF, the order of discontinuation of the Concession.

Within 60 days from the declaration of discontinuance, the MIT (in agreement with the MEF) shall appoint a commissioner/administrator, with such remit, responsibilities, powers and resources as deemed appropriate, and the procedures for the payment of the Compensation Payment (as defined below) by the entity replacing AdR in relation to the concession. As detailed above, the effectiveness of the inter-ministerial order is subject to the payment of the Compensation Payment (as defined below), which must be paid to AdR also by the replacement provider within 30 months from the date of communication of the declaration of discontinuance of the Concession.

Until the order of discontinuance of the Concession is effective, AdR shall continue managing the Rome Airport System.

*Withdrawal of the Concession (Decadenza dalla concessione pursuant to Italian law)*

Upon ENAC’s proposal, the MIT, in agreement with the MEF, may issue an order for the withdrawal of the Concession in the following circumstances:

- material and repeated breaches of the Navigation Code;
- material and repeated breaches of the security provisions, following the imposition of sanctions by ENAC;
- failure to meet the requirements for the applicable certification pursuant to the regulation for the construction and operation of the airports;
- further material delays in implementing the investments provided for in the “Technical Ten-year Document” (*i.e.*, material delays which are unjustified and caused exclusively by AdR), following the imposition of sanctions by ENAC;
- a default is continuing notwithstanding sanctions imposed by ENAC;
- evidence that AdR is no longer capable of managing the Rome Airport System;
- more than 12 months’ delay in paying the concession fee;
- failure to submit the “Technical Long-term Investment Document” on time;
- abandonment, even partial, of the management of the Rome Airport System by AdR; and
- failure to meet the financial requirements as provided for in Annex 1 to the Regulatory Framework.

Prior to submitting a formal request for an order of withdrawal of the Concession, ENAC is required to serve a notice of reprimand on AdR and shall determine, jointly with AdR, the measures to be adopted within no less than 90 days to remedy the situation. Should the default be continuing, in whole or in part, after the lapse of the 90 day period, a further grace period of not less than 60 days must be given by ENAC. Following the expiry of such grace period, should such default be continuing, ENAC shall submit its proposal for (i) the withdrawal of the Concession, (ii) the

appointment of a commissioner/administrator (and the proposed remit, responsibilities, powers and resources thereof) and (iii) the procedures for the payment of the Compensation Payment (as defined below) also by the new manager taking over the concession.

As is the case in the previous situations described above the effectiveness of the withdrawal of the Concession is subject to the payment of the Compensation Payment (as defined below) being made within 30 months from the date of the order of withdrawal.

### ***The Compensation Payment***

In case of (i) revocation of the Concession for public interest reasons (*revoca per ragioni di interesse pubblico*), (ii) discontinuation due to termination of the Concession (*cessazione del rapporto concessorio per risoluzione della convenzione*) or (iii) withdrawal of the Concession (*decadenza dalla concessione*), AdR is entitled in any such case to receive a compensation payment (the “**Compensation Payment**”) calculated applying the discounted unlevered free cash flow method on:

- the discounted value of the proceeds from operations relating to regulated and non-regulated activities, which can be forecasted on the date of the inter-ministerial order for the period from the date of such order up to the expiry of the Concession (net of the relevant costs, charges, investments and taxes foreseeable in the same period). The nominal discount rate shall be equal to:
  - for cash flows relating to regulated activities, the real pre-tax rate of return allowed for tariff calculations converted, consistently, into nominal post-tax rate; and
  - for cash flows relating to non-regulated activities, the nominal post-tax market remuneration rate of commercial activities having a similar profitability and risk profile; and
- the residual value of the RAB (expressed in nominal values in compliance with the regulatory accounting principles) and of the non-regulatory asset base (non-regulatory net invested capital expressed in the residual value in accordance with the regulatory accounting principles) forecasted on the expiry date of the Concession.

The market return rate of non-regulated activities referred to above will be calculated by a national or international independent public entity jointly appointed by ENAC and AdR within 30 days from the adoption of the inter-ministerial decree of revocation, discontinuation or withdrawal of the Concession, as applicable. If the parties do not agree, an independent entity will be appointed by the International Arbitration Chamber of Paris, upon request of either party and with AdR bearing the relevant costs.

The Compensation Payment determined pursuant to the foregoing formula shall be reduced, in any case, by a value corresponding to the cash flows, net of relevant costs, charges, investments and taxes, received by AdR during the management of the Concession, on the same conditions as set out in the Concession, from the date of the relevant inter-ministerial decree to the date of transfer of the management of the Rome Airport System, and further increased by:

- the taxes that AdR is required to pay upon the collection of the Compensation Payment; and
- the interest accruing on the Compensation Payment for the period from the date of adoption of the inter-ministerial decree to the date of payment, calculated at a rate equal to the average of the 3-month Euribor rates fixed at the beginning of each quarter of the period under examination, increased by 100 basis points.

In case of withdrawal of the Concession, the Compensation Payment will be reduced by 10%, as a further penalty on AdR. In such limited circumstance and in addition to the foregoing reduction, ENAC will be entitled, pursuant to Article 1218 of the Italian Civil Code, to claim compensation for

any damage caused by actions or omissions of or attributable to the concessionaire which led to the withdrawal of the Concession.

### ***Expiry of the Concession at its stated maturity date (2044)***

Upon the expiry of the Concession at its stated maturity date, the State Administration shall acquire the full property, free from burdens and limitations, of the buildings, fixed plants and other infrastructure realised by AdR or by third parties within the grounds of the airport (both internal and external), as well as any areas which have become part of the airport infrastructure following the enlargement of the airport grounds pursuant to the “Airport Development Plan”.

Within 30 months from the original stated maturity date of the Concession, AdR is entitled to receive payment of the following amounts:

- with respect to the buildings and fixed plants constructed by AdR by means of its own resources, a refund of the invested capital not yet amortised, as reported in the relevant audited accounts (*contabilità analitica regolatoria certificata*), limited to the portion of such assets assigned for the services subject to tariff regulation;
- with respect to buildings and fixed plants constructed by AdR by means of its own resources and intended for the performance of commercial activities, which as such are not subject to tariff regulation, a refund equal to the residual book value as reported in the relevant audited accounts (*contabilità analitica regolatoria certificata*), to the extent that ENAC has expressly declared in advance that they are necessary and has therefore authorised their realisation in view of their purposes related to the operation of the airports;
- with respect to movable properties and equipment acquired by AdR, the costs of which are admitted for charging purposes, a refund of the residual invested capital not yet amortised, as reported in the relevant audited accounts (*contabilità analitica regolatoria certificata*) submitted by AdR for the immediately previous financial year and in the assets book attached thereto; and
- with respect to works in progress, a refund to be calculated with sole regard to the expenses actually incurred by AdR on the aforesaid date, as reported in the work in progress statements issued by AdR (*stato di avanzamento dei lavori*).

AdR shall continue to carry on the ordinary management of the Rome Airport System until the management is transferred to the new manager. AdR is entitled to retain the cash flows relating to the management services provided from the Concession’s scheduled maturity date to the date of transfer of the Concession to the new manager.

### **The Economic Regulation Agreement (the “ERA”) and tariff regulation**

#### ***Overview***

The ERA sets out principles and criteria defining the long-term tariff system and the rules of review that are applicable for the entire term of the Concession.

The ERA distinguishes between:

- **regulated activities:** the activities for which AdR is subject to regulatory oversight for the revenues it receives and for which AdR has agreed to charge airline customers in a transparent, non-discriminatory manner with reference to a standard “building-block” mechanism as described below; and
- **non-regulated activities:** activities that are not regulated, which include, *inter alia*, (i) sub-concessions or similar agreements otherwise making available commercial space and real estate to third parties, (ii) catering and restaurants, (iii) car parks, and (iv) advertising, and for which AdR is able to determine the related charges without any regulatory oversight.

Broadly speaking, regulated activities, and therefore charges subject to regulation, are related, *inter alia*, to (i) passengers, (ii) landings and take-offs, (iii) aircraft parking and (iv) security. In addition, there is a mechanism for passing on the cost of additional regulatory measures in areas such as environment, safety, aviation legislation and licence control.

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

### ***Regulation period***

For the purposes of determining the applicable tariffs, the term of the ERA, which for the avoidance of doubt is equal to the term of the Concession, is divided into ten-year tariff regulation periods (each a “**Tariff Regulation Period**”) and each Tariff Regulation Period is in turn divided into two five-year tariff sub-periods (each a “**Tariff Sub-period**”).

In particular, during the financial year which is the penultimate year of a Tariff Sub-period (the “**Base Year**”) ENAC and AdR define:

- with respect to the succeeding Tariff Regulation Period, the investments that AdR undertakes to carry out and correlated time schedule, the quality and environmental protection indicators in relation to which AdR undertakes to achieve sustainable annual improvement targets and the target values of the quality indicators;
- with respect to the succeeding Tariff Sub-period, the regulated revenues aimed at guaranteeing to AdR the coverage of allowed management costs, additional charges that it will incur pursuant to the ERA and return on capital invested in regulated services and the traffic forecasts within the 5-year period.

### ***Tariff rates / formula***

The ERA provides for a long-term tariff system which, taking account of European levels and standards, is (i) linked to the costs associated with the infrastructure and the provision of the services, (ii) designed to promote efficiency, (iii) based on criteria of fair remuneration for the investments made by AdR and (iv) provides for adjustments to be made throughout the entire term of the Concession. As such, the new tariffs are linked to and conditional upon AdR’s implementation of the capital expenditures aimed at the maintenance, modernisation and expansion of the Rome Airport System and the related infrastructures, including those summarised under “*Business Description of the Group — The Group’s Investment Programme*” above.

Article 31 of the Regulatory Framework provides a specific explanation of the various components of the tariff formula. In particular: (i) the so-called “x” component covers the allowed costs in the ‘Base Year’ (as defined therein) throughout a Tariff Sub-period; (ii) the so-called “k” component covers capital charges (allowed depreciation and remuneration in accordance with the WACC, see below) of the additional invested capital accruing within a Tariff Sub-period over the initial RAB at December 2012; (iii) the so-called “v” component covers unforeseen changes in costs associated with additional regulatory measures should they arise within a Tariff Sub-period and specific costs allowed by ENAC to raise quality standards within the Tariff Sub-period; whereas (iv) the so-called “ε” component representing the premium/penalties payable on over/under-achievements relative to the quality/environmental standards set out in annex 10 of the Regulatory Framework.

Upon approval of the ERA, the distinction between capital expenditures for maintenance of the airports and capital expenditures for the development and the expansion of the infrastructures has been removed, primarily due to the fact that, in contrast to the past, both are remunerated in the same manner through tariff increases and both therefore contribute to AdR’s revenues and cash flow.

In particular, the tariff rules applicable until the expiry of the Concession are based on:

- the “price cap” method, which correlates the tariffs with the costs of the services, subject to applicable economic regulation (for the sake of completeness, as at 1 January 2013, the initial RAB value was Euro 1.8 billion, which is to be updated annually in accordance with the relevant audited financial statements);
- the “dual till” approach, pursuant to which all revenues from non-aviation activities contribute to company profits (for further information, see “—“Dual till” or “Single till” approach” below); and
- the provision of bonuses or penalties (as applicable) payable when the quality levels of environmental and quality standards are, respectively, above or below the minimum level and objectives set out by ENAC.

#### ***“Dual till” or “Single till” approach***

As mentioned above, there are two approaches to the economic regulation of the provision of airport management services: namely the “dual till” and the “single till” systems.

Under a “single till” approach both aeronautical and commercial airport activities are taken into consideration to determine the level of airport charges, whereas the “dual till” approach separates the regulated and non-regulated businesses and sets a “price cap” for the regulated business without consideration for the non-regulated business.

The ERA applicable to AdR has adopted the “dual till” system.

#### ***Update of the applicable tariffs***

The ERA provides clear guidance on the methods, timing, and reasons that require the update of the economic-financial plan by 2044, the Tariff Regulation Period and the variable contained in the mechanism of the annual fees.

In particular, the procedures for annual updates in tariff shall comply with Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges (“**Directive 2009/12/EC**”). Directive 2009/12/EC provides, *inter alia*, that airport managers should annually consult with users on the status of the investment plan, traffic developments, quality improvements and their impact on tariffs; consultation with users starts 120 days before the application of new tariffs and 60 days before ENAC’s approval. The variations in actual levels of air traffic as compared to the respective forecasts within a +/-5% range will be to the benefit of, or charged to, AdR (as the case may be), depending on whether the amount of air traffic increases or decreases. In case of variations outside of the +5% range, 50% of the higher revenues will be allocated for future investments without any impact on the tariffs whatsoever; while in case of lower revenues outside the -5% range, 50% of such lower revenues will be included in the allowed costs for the calculation of the tariffs applicable in the following five-year regulation period. Particularly significant traffic variations may allow AdR to request the competent authorities to amend the approved investment plan.

In case of annual variations of the recorded levels of air traffic by more than +/- 6%, AdR may request to review the tariff parameters (“x”, “k”, “v”) in relation to the remaining years, on the basis of the traffic forecasts adjusted to take into account the variation occurred.

On the occurrence of *force majeure* or other events beyond AdR’s responsibility, Article 11.3 of the ERA provides for a protection on allowed returns on invested capital on regulated services. In such circumstances, AdR is permitted to submit to ENAC a revised capital expenditure plan and tariff proposal with the aim of preserving the profitability on regulated activities foreseen in the last approved Economic and Financial Plan. With Provision No. 11 of 20 March 2015, the General Manager of ENAC adopted the “*Procedura per la definizione delle controversie per il mancato*”

*accordo sui corrispettivi aeroportuali*” in order to implement – with respect to all the airport concession/planning agreements including, *inter alia*, the Regulatory Framework – the provisions of paragraph 6 of article 11 of Directive 2009/12/EC which requires, *inter alia*, that a procedure for resolving disagreements between the airport managing body and the airport users is established. Then by Provision No. 37 of October 23, 2015 of the General Manager of ENAC, the duration of the above mentioned procedure has been reduced to maximum 30 days from 60 days.

### ***Second Tariff Sub-period (2017-2021)***

Pursuant to Article 22 of the ERA, AdR and ENAC have analysed the impact of the changes that the ERA requires to be made at the end of the first Tariff Sub-period (which expired in 2016), including certain elements of the real pre-tax weighted average cost of capital (“WACC”) and opex benchmark in respect of regulated services from the latest available regulatory accounts.

Whilst the WACC for the first Tariff Sub-period equalled 11.91%, the WACC for the second Tariff Sub-period (2017-2021) has been set at 8.52% to reflect the changing financial market conditions (in particular, the decrease in the cost of Italian public debt).

### ***Update of the applicable tariffs – 2019 tariff adjustments***

On 29 December 2016, ENAC approved the tariff update for the second 5-year regulatory period (from 1 March 2017 to 28 February 2021). For the year 2019 (1 March 2019 – 29 February 2020), the new tariff adjustment provides, *inter alia*, for an average tariff of Euro 30.1 and Euro 15.4 per paying passenger at Fiumicino Airport and Ciampino Airport, respectively. The above tariffs for Ciampino do not include the private traffic component which is subject to higher charges and accounts for around 4% of take-off and landing volumes.

### **Airport certification**

On 14 February 2014 Commission Regulation (EU) No. 139/2014 of 12 February 2014 laying down requirements and administrative procedures related to aerodromes pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council was published in the Official Gazette of the European Union L44.

On 20 December 2016 and 31 July 2017, ENAC released the “Airport Certificate” for each of Fiumicino Airport (IT.ADR.0001) and Ciampino Airport (IT.ADR.0012). Such certificates confirm that the organisation of AdR, the procedures for ground operations and all infrastructure and systems at Fiumicino Airport meet EU requirements.

### **Recent updates and changes that affect the Regulatory Framework and AdR’s operation**

Certain national and EU laws and regulations recently enacted may affect the regulatory framework in which AdR operates. For further information see “*Updates and changes to the reference regulatory framework*” on pages 110 – 112 of the consolidated annual financial statements of AdR as at and for the year ended 31 December 2018 that are incorporated by reference hereto.

## 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 Bearer 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 depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Bearer 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 “**Eurosystem**”), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

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 or, if the Notes do not have a maturity of more than 365 days, that neither TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***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 Notes represented by 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 Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by 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 specify 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 specify 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 (*Events of Default*) 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 €100,000 and integral multiples of €1,000 in excess thereof, *provided that* such denominations are not less than €100,000 nor more than €199,000 or €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 Euronext Dublin 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 (*Notices*) 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 complete those terms and conditions.

### **Registered Notes**

Each Tranche of Registered Notes will initially be represented by a global note in registered form (“**Registered 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 Registered 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 (*Transfers of Registered Notes*) of the Terms and Conditions of the Notes, and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

In a press release dated 22 October 2008, “*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*”, the ECB announced that it had assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the “**New Safekeeping Structure**” or “**NSS**”) would be in compliance with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of the central banking system for the euro (the “**Eurosystem**”), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form would be offered by Euroclear and Clearstream, Luxembourg as at 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 would only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Note represented by a Registered Global Note will either be: (a) in the case of a Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Registered Global Note to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg

and the relevant Registered Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

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 out 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 (*Form, Denomination and Title*) of the Terms and Conditions of the Notes) as the registered holder of the Registered Global Notes. None of the Issuer, 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) (*Registered Notes*) 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 (*Taxation*) 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 (*Notices*) 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 out 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 (*Events of Default*) 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 Bearer Global 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 Bearer Global Notes and such Bearer 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(e) (*Redemption, Purchase and Options – Redemption at the Option of the Issuer and Exercise of Issuer’s Options*) of the Terms and Conditions of the Notes at the option of the Issuer in the event that the Issuer exercises its option pursuant to such Condition 6(e) (*Redemption, Purchase and Options – Redemption at the Option of the Issuer and Exercise of Issuer’s Options*) 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).

### Payment Business days

Notwithstanding the definition of “business day” in Condition 7(g) (*Non-Business days*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, “business day” means: (i) (in the

case of payment in euro) any day which is a TARGET Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or (ii) (in the case of a payment in a currency other than euro) any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre.

### **Notices**

Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; except that for so long as such Notes are admitted to trading on Euronext Dublin and it is also a requirement of applicable laws or regulations, such notices shall also be published on the Euronext Dublin's website, [www.ise.ie](http://www.ise.ie), the Issuer's website and, if any, through other applicable public announcements and/or regulatory filings pursuant to mandatory provisions of Italian law.

### **Legend concerning United States persons**

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

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

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each series of Notes issued under the Programme (each a “Series”). The full text of these terms and conditions as so completed with the relevant provisions of the Final Terms (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 an amended and restated trust deed dated 27 June 2019 (as amended or supplemented from time to time, the “**Trust Deed**”) between Aeroporti di Roma S.p.A. (“**AdR**” or the “**Issuer**”, which expression shall include any company substituted in place of the Issuer in accordance with Condition 11(e) (*Substitution*) or any permitted successor(s) or assignee(s)) and BNY Mellon 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 forms of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated agency agreement dated 27 June 2019 (as amended or supplemented from time to time, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon (acting out of its London Branch) as principal paying agent and The Bank of New York Mellon SA/NV, Luxembourg as registrar. The principal 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 “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**” (such Paying Agents and the Transfer Agents being together referred to as the “**Agents**”).

Copies of, *inter alia*, the Trust Deed, the Agency Agreement and the relevant Final Terms are available for inspection, and copies are obtainable, by the Noteholders during normal business hours at the specified office of the Principal Paying Agent save that (i) such Noteholder (or any person acting on its behalf) must produce evidence satisfactory to the Principal Paying Agent as to its holding of such Notes and of its identity (and, if acting on behalf of a Noteholder, of evidence satisfactory to the Principal Paying Agent as to its capacity as such) in accordance with the terms of the Agency Agreement and (ii) if a Note is an unlisted Note, the Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes.

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**”) are entitled to the benefit of, are bound by, and are deemed to have notice of all of 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.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis and Redemption/Payment Basis as specified in the applicable Final Terms.

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.

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

Title to the Bearer Notes and the 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, 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 or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, 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 herein or in the applicable Final Terms, 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. 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) (*Transfer of Registered Notes*) or 2(b) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) 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(g) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*)) 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) (*Delivery of New Certificates*), “**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 fifteen (15) days ending on the due date for redemption of that Note, (ii) during the period of fifteen (15) days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*), (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. **Status of the Notes**

The Notes and the Coupons relating to them constitute (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of AdR and shall at all times rank *pari passu* and without any preference among themselves and *pari passu* with all senior, unsecured and unsubordinated obligations of AdR, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4. **Negative Pledge**

So long as any of the Notes or Coupons remains outstanding (as defined in the Trust Deed) neither the Issuer nor any Material Subsidiary 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 unless, at the same time or prior thereto, the Issuer's obligations under the Notes, the Coupons and the Trust Deed (A) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as (i) the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

## 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 in the applicable Final Terms, 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 in the applicable Final Terms. 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(g) (*Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*) below.

### (b) *Interest on Floating Rate Notes*

#### (A) *Interest Payment Dates*

Each Floating 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. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms 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.

#### (B) *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.

(C) *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 in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

1. *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms 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 1, “**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 in the applicable Final Terms;
- (y) the Designated Maturity is a period specified in the applicable Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph 1, “**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.

2. *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms 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 Relevant Screen Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Reference Rate (where such Reference Rate on such Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or
  - (II) the arithmetic mean of the Reference Rates of the persons whose Reference Rates appear on that Relevant Screen Page,

in each case appearing on such Relevant Screen 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 Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Reference Rates appear on the Relevant Screen 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 Reference 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 Reference 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).

- (aa) (1) If the Issuer or the Calculation Agent determines at any time prior to, on or following any Interest Determination Date, that the Relevant Screen Page on which appears the Reference Rate has been discontinued, or (2) following the adoption of a decision to withdraw the authorisation or registration as set out in Article 35 of the Benchmarks Regulation, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint an agent (the “**Reference Rate Determination Agent**”), which will not later than the Interest Determination Cut-off Date determine in a commercially reasonable manner whether a substitute or successor rate for purposes of determining the Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the discontinued Reference Rate is available. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will use such successor rate to determine the Reference Rate. If the Reference Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the “**Replacement Reference Rate**”), for purposes of determining the Reference Rate on each Interest Determination Date falling on or after such determination: (i) the Reference Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the discontinued Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (ii) references to the Reference Rate in the Conditions and the Final Terms applicable to the relevant Notes will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in (i) above; (iii) the Reference Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (iv) the Issuer will give notice as soon as reasonably practicable to the Noteholders, the relevant Paying Agent and the Calculation Agent specifying the Replacement Reference Rate, as well as the details described in (i) above.

(2) The determination of the Replacement Reference Rate and the other matters referred to above by the Reference Rate Determination Agent will (in the absence of manifest error and without prejudice to the Calculation Agent's or the relevant Paying Agent's ability to rely on such notice as specified in (1) above) be final and binding on the Issuer, the Calculation Agent, the Paying Agent, and the Noteholders, unless the Issuer considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Reference Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall re-appoint a Reference Rate Determination Agent (which may or may not be the same entity as the original Reference Rate Determination Agent) for the purpose of confirming the Replacement Reference Rate or determining a substitute Replacement Reference Rate in an identical manner as described in paragraph (z) above, which will then (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Paying Agent and the Noteholders. If the Reference Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the last known Replacement Reference Rate will apply.

(3) If the Reference Rate Determination Agent determines that the Relevant Screen Page on which appears the Reference Rate has been discontinued or a decision to withdraw the authorisation or registration as set out in Article 35 of the Benchmarks Regulation has been adopted but for any reason a Replacement Reference Rate has not been determined later than the Interest Determination Cut-off Date, no Replacement Reference Rate will be adopted, and the Relevant Screen Page on which appears the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

(4) The Reference Rate Determination Agent may be (i) a leading bank as appointed by the Issuer, (ii) the Issuer or an affiliate of the Issuer (in which case any such determination shall be made in consultation with an independent financial advisor), (iii) the Calculation Agent (if agreed in writing by the relevant Calculation Agent) or (iv) any other entity which the Issuer considers has the necessary competences to carry out such role.

(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(b)(A) (*Zero Coupon Notes*)).

(d) *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 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 8 (*Taxation*)).

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

(A) If any Margin or Rate Multiplier is specified in the applicable Final Terms (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) (*Interest on Floating Rate Notes*) 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.

(B) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(C) 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.

(f) *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.

(g) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption 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 or Optional Redemption 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 or Optional Redemption 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. If the Notes become due and payable under Condition 10 (*Events of Default*), 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 5(g) (*Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*) 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.

(h) *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, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee may (but shall not be bound to) do so or may (but shall not be bound to) 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 5(h) (*Determination or Calculation by Trustee*), with any necessary consequential amendments, to the extent that, in its sole 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.

(i) *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 in the applicable Final Terms 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 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, 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 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) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, each Note will be finally redeemed on the maturity date specified in the applicable Final Terms (the “**Maturity Date**”) unless otherwise provided in the applicable Final Terms, at its principal amount outstanding (the “**Final Redemption Amount**”).

### (b) *Early Redemption*

The early redemption amount payable in respect of the Notes (the “**Early Redemption Amount**”) shall be determined as follows.

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

1. The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) shall be the amount calculated as provided below (such amount, the “**Amortised Face Value**” of such Note).
2. Subject to the provisions of sub-paragraph 3 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 specified in the applicable Final Terms (which, if none is shown in the applicable Final Terms, 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.
3. If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) 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 2 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) (*Zero Coupon Notes*).

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 in the applicable Final Terms.

(B) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (A)(1) above), upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.

(c) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Trustee and the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that (i) it has or will become obliged to pay additional amounts as described under Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Taxing Jurisdiction (as defined in Condition 8 (*Taxation*)), 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 following a Permitted Reorganisation assumes the obligations of the Issuer hereunder), and (ii) such obligation cannot be avoided by the Issuer taking commercially reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (x) a certificate signed by two authorised signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) a legal opinion in form and substance satisfactory to the Trustee and the Trustee shall be entitled to accept such certificate and such legal opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above in which event it shall be conclusive and binding on all Noteholders and Couponholders.

(d) *Redemption at the Option of Noteholders on the Occurrence of a Relevant Event ("Relevant Event Redemption")*

If Relevant Event Redemption is stated to be applicable in the relevant Final Terms, promptly and, if possible, within twenty-one (21) Business Days following the date upon which the Issuer first has knowledge of a Relevant Event (as defined below), or a reasonable belief that a Relevant Event has occurred the Issuer shall give written notice thereof (a "**Relevant Event Notice**") to the holders of all outstanding Notes in accordance with Condition 17 (*Notices*), which Relevant Event Notice shall:

- (A) describe the facts and circumstances of such Relevant Event in reasonable detail;

- (B) refer to this Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) and the rights of the holders of Notes hereunder;
- (C) specify a date of redemption of the Notes (the “**Relevant Event Redemption Date**”), which shall be not less than thirty (30) days and not more than ninety (90) days after the date of such Relevant Event Notice;
- (D) offer to redeem, on the Relevant Event Redemption Date, all Notes held by any holder, at the amount (the “**Relevant Event Redemption Amount**”) specified in the Final Terms, together with interest thereon to the Relevant Event Redemption Date; and
- (E) request such Noteholder to notify the Issuer in writing (by means of a Redemption Acceptance Notice) by a stated date (a “**Relevant Event Response Date**”), which date shall be not less than fifteen (15) days after the date of the Relevant Event Notice and not less than ten (10) days prior to the Relevant Event Redemption Date, whether it intends to accept such redemption offer.

If a Noteholder does not notify the Issuer on or before the Relevant Event Response Date of such Noteholder’s acceptance of the redemption offer contained in the Relevant Event Notice, such Noteholder will be deemed to have waived its rights under this Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) in respect of such Relevant Event.

On the Relevant Event Redemption Date, the entire principal amount outstanding of the Notes held by each Noteholder who has accepted the redemption offer contained in the Relevant Event Notice, together with accrued and unpaid interest thereon to the Relevant Event Redemption Date, shall become due and payable.

To accept a redemption offer by the Issuer in respect of a Note under this Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*), the holder of a Bearer Note 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 before the Relevant Event Response Date, accompanied by a duly signed and completed notice in the form available from each office of the Paying Agents (the “**Redemption Acceptance Notice**”). The Note must be delivered to the Paying Agent together with all Coupons, if any, appertaining thereto maturing after the Relevant Event Redemption Date, failing which deduction in respect of such missing unmatured Coupons shall be made in accordance with Condition 7(e) (*Unmatured Coupons and unexchanged Talons*). The Paying Agent to which such Note and Redemption Acceptance Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a “**Redemption Acceptance 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 Redemption Acceptance Notice a bank account to which payment is to be made, by transfer to that bank account on the Relevant Event Redemption Date and, in every other case, on or after the Relevant Event Redemption Date against presentation and surrender of such Redemption Acceptance Receipt at the specified office of any Paying Agent. A Redemption Acceptance Notice, once given, shall be irrevocable. For the purposes of these Conditions and the Trust Deed, Redemption Acceptance Receipts issued pursuant to this Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) shall be treated as if they were Notes.

For the purposes of this Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*), a “**Relevant Event**” shall be deemed to occur if a Concession Event (as defined below) occurs and:

1. in the Issuer’s annual or semi-annual financial statements prior to the occurrence of the Concession Event, the revenues arising from or in connection with the Concession represented more than 40% of the Consolidated Revenues of the Group; and
2. at the time of the occurrence of the Concession Event, the Notes carry from any Rating Agency either:
  - (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within sixty (60) days of the occurrence of the Concession Event either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such sixty (60) day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency;
  - (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is, within sixty (60) days of the occurrence of the Concession Event, downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such sixty (60) day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
  - (iii) no credit rating, and no Rating Agency assigns within one hundred and eighty (180) days of the occurrence of the Concession Event an investment grade rating to the Notes,  
  
and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Concession Event.

A “**Concession Event**” shall be deemed to occur if:

- (i) the Concession is revoked for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law and such revocation becomes effective in accordance with its terms; or
  - (ii) the Concession is terminated (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and such cessation becomes effective in accordance with its terms; or
  - (iii) an order for withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law is issued and such withdrawal becomes effective in accordance with its terms.
- (e) *Redemption at the Option of the Issuer and Exercise of Issuer’s Options*

If Call Option is stated to be applicable in the applicable Final Terms, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) days’ irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable

Final Terms) and on giving not less than fifteen (15) days' irrevocable notice before the giving of the notice to the Noteholders, to the Principal Paying Agent and the Trustee and, in the case of a redemption of Registered Notes, the Registrar, redeem all or, if so provided, only some of the Notes on any Optional Redemption Date specified in the Final Terms ("**Call Option**"). Any such redemption of Notes shall be at their Optional Redemption Amount specified in the Final Terms together with interest accrued to the date fixed for redemption. Any such partial redemption must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the applicable Final Terms and no greater than the maximum nominal amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given this Condition 6(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) shall be redeemed on the date specified in such notice in accordance with this Condition 6(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*).

In the case of a partial redemption, 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, 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 Euronext Dublin and the rules of such 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 Euronext Dublin's website, *www.ise.ie*, 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(e) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*).

(f) *Clean-Up Call Option*

If the Clean-up Call Option (defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been previously purchased and cancelled by the Issuer, the Issuer may, at its option (the "**Clean-Up Call Option**") but subject to having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders, redeem all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their Optional Redemption Amount (as specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption.

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

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

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured 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 (*Notices*), and, if the Notes are listed at such time on Euronext Dublin, the Issuer will publish such notice on Euronext Dublin’s website, *www.ise.ie*.

(i) *Purchases*

The Issuer and any of its Subsidiaries may at any time purchase Notes (*provided that* all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(j) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal 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 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 Obligor 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 Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(E) (*Unmatured Coupons and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7(e)(B) (*Unmatured Coupons and unexchanged Talons*)), 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 TARGET2 System.

(b) *Registered Notes*

- (A) Payments of principal in respect of Registered Notes shall be paid to the person shown on the Register at the close of business (in the relevant clearing system) on the day prior to 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 (B) below.
- (B) Interest 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 in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives to which the Issuer or its Agents may be subject, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of that Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (“**FATCA**”). Notwithstanding anything in Condition 8 (*Taxation*) to the contrary, neither the Issuer nor any such Agent will be liable for any taxes or duties of whatever nature imposed or levied by FATCA or any directives or agreements implementing FATCA. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent (if any) initially appointed by the Issuer and their respective specified offices are listed below. The Principal 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 do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval (save in the circumstances described in the Agency Agreement) of the Trustee to vary or terminate the appointment of the Principal 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) a Principal 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 in at least two major European cities approved by the Trustee and (vi) such other agents as may be required by any stock exchange on which the Notes may be listed.

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

(e) *Unmatured Coupons and unexchanged Talons*

- (A) 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 unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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 ten (10) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (B) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (C) 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.
- (D) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired 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.
- (E) 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 Principal 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 (*Prescription*)).

(g) *Non-Business days*

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall neither 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**” in the applicable Final Terms and:

- (A) (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
- (B) (in the case of a payment in euro) which is a TARGET2 Business Day.

## 8. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within either Italy (or any jurisdiction of incorporation of any successor of the Issuer) 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 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 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 by making a declaration of non-residence or other similar claim for exemption 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 or Coupons by reason of his having some connection with a Relevant Taxing Jurisdiction, other than the mere holding of the Note or Coupon; or
- (b) more than thirty (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 required to be made pursuant to FATCA or any law, regulation or agreement implementing or complying with, or introduced in order to implement FATCA.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means whichever is the later of (i) the date on which a payment in respect thereof first becomes due and payable or (ii) (if the full amount of the moneys payable in respect of any Notes due and payable on or before that date has not been duly received by the Paying Agents or the Trustee

on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Noteholders in accordance with Condition 17 (*Notices*). References in these Conditions to “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution for it under the Trust Deed.

9. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. **Events of Default**

If the Trustee determines that in its sole opinion any of the following events (each an “**Event of Default**”) has occurred and is continuing, then 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 an Extraordinary Resolution shall, provided that the Trustee has been indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer 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 five (5) business days (in the case of principal) and five (5) business days (in the case of interest); or

(b) *Breach of Other Obligations*

the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed and such default (i) is, in the sole opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the sole opinion of the Trustee, capable of remedy, is not remedied within sixty (60) days (or such longer period as the Trustee may agree in writing) after notice of such default shall have been given to the Issuer by the Trustee; or

(c) *Cross-Default*

(i) any other present or future Indebtedness (other than Project Finance Indebtedness) of the Issuer or any of its Material Subsidiaries becomes due and payable prior to its stated maturity by reason of any event of default (however described), or (ii) any such Indebtedness (other than Project Finance Indebtedness) is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than Project Finance Indebtedness) *provided that* no such event shall constitute an Event of Default so long as and to the extent that (1) the Issuer or the relevant Material Subsidiary is contesting in good faith, including, where applicable, in a competent court or before a competent arbitration panel, that the relevant Indebtedness or any such guarantee and/or indemnity is due and/or enforceable, as appropriate and/or (2) 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 is less than Euro fifty million (€50,000,000) in the aggregate (or its equivalent in any other currency or currencies); or

(d) *Enforcement Proceedings*

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a substantial part of the property, assets, receivables or revenues of the Group taken as a whole (other than any distress, attachment, execution or other legal process under or in connection with (i) the Concession, (ii) any Project Finance Indebtedness, (iii) a Permitted Reorganisation or (iv) any matter described in Condition 10(f) (*Security Enforced*) below) and in any such case, is not discharged or stayed within one hundred and eighty (180) days. For the purposes of this paragraph (d), “substantial part” means thirty five (35)% or more by value of the whole; 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 Euro fifty million (€50,000,000) (or its equivalent in any other currency or currencies), whether individually or in aggregate, rendered against the Issuer or any of its Material Subsidiaries, becomes enforceable in a jurisdiction where the Issuer or any of its Material Subsidiaries is incorporated and continue(s) unsatisfied and unstayed for a period of sixty (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 securing Project Finance Indebtedness or any Permitted Encumbrances), present or future, created or assumed on or against all or a material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable by reason of an event of default, howsoever described and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) in respect of any Indebtedness incurred by the Issuer in excess of Euro fifty million (€50,000,000) or its equivalent; or

(g) *Insolvency etc.*

(i) the Issuer being declared insolvent pursuant to Section 5 of the Royal Decree No. 267 of 1942, as subsequently amended, or, in case the Issuer is no longer organised in the Republic of Italy, being declared unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or the whole or any part of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made unless such application is contested or stayed in good faith or dismissed within one hundred and eighty (180) days) or (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations (other than any agreement evidenced in writing amending the terms of any obligation entered into in the ordinary course of its business by the Issuer, in each case whilst solvent and in circumstances other than inability to pay debts and in which no event of default (howsoever described) has occurred) or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or

(h) *Cessation of Business*

the Issuer or any Material Subsidiary ceases to carry on all or Substantially All of the business then being conducted by the Issuer or the Group taken as a whole (calculated

on the basis of the Group's consolidated total assets) otherwise than as a result of (i) a Permitted Reorganisation, (ii) the occurrence of a Relevant Event resulting from a Concession Event or (iii) the term of the Concession, whether or not renewed, expiring; or

(i) *Analogous Events*

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events or circumstances referred to in sub-paragraphs (d), (e), (f) or (g) above.

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

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including, without limitation, the modification of any provision of these Conditions.

(b) *Modifications, consents and waivers*

(i) The Trust Deed contains provisions according to which the Trustee may, without the consent of the holders of the Notes at any time agree to any modification (other than in respect of a Reserved Matter) of these Conditions, the Agency Agreement, the Trust Deed or any other document to which it is a party which is, in the sole opinion of the Trustee, proper to make if, in the sole opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Notes and to any modification of these Conditions, the Agency Agreement, the Trust Deed or any other document to which it is a party if, in the sole opinion of the Trustee, such modification is of a formal, minor or technical nature or is to correct a manifest error.

(ii) In addition, the Trust Deed contains provisions according to which the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of or give any consent or approval provided for in the provisions (other than a proposed breach or breach or consent or approval relating to the subject of a Reserved Matter) of the Notes, the Trust Deed, the Agency Agreement or any other document to which it is a party or determine that any Event of Default shall not be treated as such if, in the sole opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

(iii) The Trustee shall be entitled to assume that the interests of the holders of the Notes will not be materially prejudiced by any such determination, modification, authorisation, waiver, consent or approval if confirmation is obtained from the Rating Agencies that the then current credit rating of the Notes (if any) or of the Issuer would not be adversely affected.

(iv) Any authorisation, waiver, consent, approval, determination or modification made or given in accordance with these Conditions and the Trust Deed shall be binding on the Noteholders or Couponholders and unless the Trustee agrees otherwise, any such authorisation, consent, approval, waiver, determination or modification shall be notified to the Noteholders as soon as practicable thereafter.

(c) *Quorums and Majorities*

The Trust Deed contains provisions in relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution in respect of the Notes which shall be subject to mandatory laws, legislation, rules and regulations of Italy and the by-laws of the Issuer in force from time to time and as shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding:

- (i) a meeting of Noteholders may be convened by the directors of the Issuer, the Noteholders' Representative (as defined below) or the Trustee and such parties shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes (subject, in the case of the Trustee, to it being indemnified and/or prefunded and/or secured to its satisfaction). If the Issuer defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of the aggregate principal amount of the outstanding Notes, the statutory auditors (or analogous body or supervisory body) shall do so, or if they so default, the same may be convened by decision of the President of the competent court in accordance with Article 2367, paragraph 2 of the Italian Civil Code;
- (ii) a meeting of Noteholders will be validly held if (A) there are two or more persons present, being or representing Noteholders holding at least half of the aggregate principal amount of the outstanding Notes, or (B) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are two or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes, *provided that* (1) the quorum shall always be at least one half of the aggregate principal amount of the outstanding Notes for the purposes of considering a Reserved Matter and (2) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for a higher quorum; and
- (iii) the majority required to pass an Extraordinary Resolution will be (A) in case of a first meeting for voting on any matter, including a Reserved Matter, at least one half of the aggregate principal amount of the outstanding Notes; or (B) in case of a second meeting (1) for voting on any matter other than a Reserved Matter, two or more persons holding or representing Noteholders holding at least two thirds of the aggregate principal amount of the Notes represented at the meeting and (2) for voting on a Reserved Matter two or more persons holding or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Notes, unless a different majority is required pursuant to Article 2369 the Italian Civil Code and *provided that* the Issuer's by laws may in each case from time to time (to the extent permitted under applicable Italian law) provide for a larger majority.

(d) *Noteholders' Representative*

A representative of the Noteholders (*rappresentante comune*) (the “**Noteholders' Representative**”), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer.

The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code. In no circumstances shall the Trustee be bound to accept to be appointed as Noteholders' Representative.

(e) *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 in its absolute discretion require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor, transferee or assignee or any subsidiary of the Issuer or its successor, transferee or assignee in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed *provided that* such change of the law governing the Notes would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. In addition, notice of any such substitution shall be given to Euronext Dublin and published in accordance with Condition 17 (*Notices*) and a supplement to the Programme shall be prepared.

**12. Enforcement**

Subject to any 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 as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. Subject to any mandatory provisions of Italian law, no Noteholder or Couponholder may proceed directly against the Issuer to enforce the terms of the Trust Deed, the Notes and the Coupons, 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 and any entity related to the Issuer without accounting for any profit.

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

If a Note, Certificate, 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 Principal Paying Agent in Ireland (in the case of Bearer Notes, 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, 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, Coupons or further Coupons) and otherwise as the Issuer

may require. Mutilated or defaced Notes, Certificates, 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. No Noteholders or Couponholders shall be entitled to claim from the Issuer or the Trustee, nor to require the Trustee to claim from the Issuer 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 16 (*Further Issues*) 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, be constituted by a deed supplemental to the Trust Deed.

**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 Euronext Dublin, shall be published on Euronext Dublin's website, [www.ise.ie](http://www.ise.ie).

Notices to the holders of Bearer Notes shall be valid if published so long as the Notes are listed on Euronext Dublin, on Euronext Dublin's website, [www.ise.ie](http://www.ise.ie).

Notices will also be published by the Issuer (i) on its website and, (ii) to the extent required under mandatory provisions of Italian law, through other appropriate public announcements and/or regulatory filings.

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 17 (*Notices*).

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

Without prejudice to any other rights or remedies available to it, no person shall have any right to enforce any term or condition of the Notes, 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 Notes, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Coupons and the Talons, are governed by, and shall be construed in accordance with, English law save for any mandatory provisions of Italian law relating to 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, Coupons or Talons and/or the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

### (c) *Service of Process*

The Issuer has irrevocably appointed Law Debenture Corporate Services Ltd. as agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

## 20. Defined Terms

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

“**Benchmarks Regulation**” means Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014;

“**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 TARGET2 System is operating (a “**TARGET2 Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Business Centres (specified in the applicable Final Terms) 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;

“**Concession**” means the concession granted to the Issuer for the management, development and operation of the Rome airport system, or any other regulation pursuant to which AdR carries on the management, development and operation of the Rome airport system;

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

“**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 in the applicable Final Terms, 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 in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, 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 in the applicable Final Terms, 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-ICMA**” is specified in the applicable Final Terms:
  - (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;

**“Determination Date”** means the date specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date;

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

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

**“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;

**“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 Union, as amended;

**“Group”** means AdR and its consolidated Subsidiaries from time to time;

**“Indebtedness”** means any indebtedness of any Person for moneys borrowed or raised;

**“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 in the applicable Final Terms;

**“Interest Determination Cut-off Date”** means the date which falls fifteen (15) calendar days before the end of the Interest Period relating to the Interest Determination Date in respect of which the provisions of paragraph (aa) of Condition 5.2 (b) (C) (2) shall be applied by the Issuer;

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

**“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 in the applicable Final Terms;

**“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 in the applicable Final Terms;

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

**“Maturity Date”** shall have the meaning set out in Condition 6(a) (*Final Redemption*);

**“Noteholders Representative”** has the meaning given it in the Trust Deed;

**“Permitted Encumbrance”** means:

- (i) any lien arising by operation of law or required by the Concession;
- (ii) any Security in existence on the Issue Date of each Series of Notes;
- (iii) in the case of any Person 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 of any member of the Group *provided that* the Security was not created in contemplation of or in connection with it becoming a Subsidiary of any member of the Group and the amounts secured have not been increased in contemplation of or in connection therewith;
- (iv) in the case of a Subsidiary of any member of the Group which becomes a Material Subsidiary after the Issue Date of the Notes, any Security securing Relevant Debt existing over its assets at the time it becomes a Material Subsidiary *provided that* the Security was not created immediately prior to it becoming a Material Subsidiary in contemplation of or in connection therewith and the amounts secured have not been increased at such time;
- (v) 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 or any relevant Material Subsidiary to effect the conversion of the bonds or notes into such assets;
- (vi) any Security securing Relevant Debt created in substitution of any Security permitted under paragraphs (i) to (v) above over the same or substituted assets *provided that* the principal amount secured by the substitute security does not exceed the principal amount outstanding and secured by the initial Security; and
- (vii) any Security other than Security permitted under paragraphs (i) to (vi) 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 Indebtedness of the Issuer or any of its Material Subsidiaries, as the case may be, does not exceed in aggregate ten (10)% of the Consolidated Assets;

**“Permitted Reorganisation”** means:

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

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

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

(b) in relation to the Issuer:

(A) any

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

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

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

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

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

**"Project"** means any project carried out, directly and/or indirectly, by an Entity pursuant to one or more contracts for (i) the ownership, acquisition (in each case, in whole or in part), development, design, construction, upgrading, operation and/or maintenance of any asset(s) (including, without limitation, concessions granted by public entities and authorities), infrastructure or businesses reasonably related thereto, incidental thereto or in furtherance thereof and/or (ii) the ownership and/or acquisition (in each case, in whole or in part) of any interest or equity participations in, or shareholder loans to, one or more Entities, directly and/or indirectly, holding and/or managing such assets, infrastructure or concessions and/or operating such businesses, where any member of the Group has an interest in the Entity (whether alone or together with other partners) and any member of the Group finances and/or refinances the investment required in the Project with Project Finance Indebtedness, shareholder loans and/or its share capital or other equity contributions;

**"Project Finance Indebtedness"** means indebtedness where the recourse of the creditors thereof is limited to any or all of (a) the relevant Project (including, for the avoidance of doubt, the concession(s) or assets related thereto and the cash flows arising therefrom), (b) the share capital of, or other equity contribution to, the Entity or Entities developing, financing or otherwise directly or indirectly involved in the relevant Project, (c) the proceeds deriving from the enforcement of any security taken over all or any part of the assets relating to the Project (including, for the avoidance of doubt, any interest or equity participations in the relevant Entity or Entities holding, directly and/or indirectly, the relevant assets or

concessions and/or operating the relevant business) and (d) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is specified in the applicable Final Terms;

“**Rating Agency**” means any of Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or Moody’s Investors Service Inc. or Fitch Ratings Ltd, or any of their successors;

“**Redemption Amount**” means, as the case may be, the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

“**Reference Banks**” means the institutions specified as such in the applicable Final Terms 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);

“**Reference Rate**” means LIBOR or EURIBOR as specified on the relevant Final Terms;

“**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), except that in no event shall indebtedness in respect of any Project Finance Indebtedness (or any guarantee or indemnity of the same) be considered as “Relevant Debt”;

“**Relevant Event**” shall have the meaning set out in Condition 6(d) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*);

“**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 in the applicable Final Terms 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 Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters EURIBOR01 (“**Reuters**”)) as may be specified for the purpose of providing a Reference 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 Reference Rate;

“**Relevant Taxing Jurisdiction**” shall have the meaning set out in Condition 8 (*Taxation*);

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable Final Terms 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 in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

**“Reserved Matter”** means any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce or cancel the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (ii) to effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Clause 13 of the Trust Deed);
- (iii) to change the currency in which amounts due in respect of the Notes are payable;
- (iv) to change or waive any provision set out in Condition 4 (*Negative Pledge*) and any definition directly or indirectly used therein;
- (v) to change or waive any Event of Default and any definition directly or indirectly used therein;
- (vi) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution, provided that a change made to comply with mandatory laws, legislation, rules and regulations of Italy and the Issuer’s by-laws applicable to the convening of Meetings, quorums and the majorities required to pass an Extraordinary Resolution and entered into force at any time while the Notes remain outstanding does not constitute a Reserved Matter for the purpose of this definition; or
- (vii) to amend this definition;

**“Specified Currency”** means the currency specified as such in the applicable Final Terms 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 in the applicable Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(B) (*Business Day Convention*);

**“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;

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

**“TARGET2 System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

## FORM OF FINAL TERMS

Final Terms dated [●]

### AEROPORTI DI ROMA S.P.A.

[Issuer's Legal Entity Identifier (LEI) [●]]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €1,500,000,000

### 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 out in the Base Prospectus dated 27 June 2019 which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) as amended or superseded (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area) [and the supplement to the Base Prospectus dated [●] read in conjunction with the Base Prospectus]. 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 Base Prospectus [as so supplemented].

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

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes carried out by [●] has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [at [www.adr.it](http://www.adr.it)] [and] during normal business hours at [*address*] [and copies may be obtained from

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\* To be included only if the Notes are to be admitted to listing on the official list, and to trading on the regulated market, of Euronext Dublin for the purposes of the Prospectus Directive.



- Maturity Date at 100 per cent. of their nominal amount.
10. Relevant Event Redemption: [Applicable/Not Applicable]
11. Change of Interest or Redemption/Payment Basis: [Applicable/Not Applicable]  
*[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there]*
12. Put/Call Options: [Put Option]  
 [Call Option]  
 [Clean-Up Call]
13. Date of competent corporate body's approval for issuance of Notes obtained: [●]

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

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year up to and including the Maturity Date/[specify other]  
*[N.B.: This will need to be amended in the case of long or short coupons]*
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount  
*(applicable to Notes in definitive form only)*
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] [Not Applicable]  
*(applicable to Notes in definitive form only)*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (vi) Determination Dates: [[●] in each year] [Not Applicable] *(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))*

<b>15. Floating Rate Note Provisions</b>	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (ii) below]
(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(iii) Business Centre(s):	[●]
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[●]
(vi) Screen Rate Determination:	
● Reference Rate:	[●] month [LIBOR/EURIBOR]
● Interest Determination Date(s):	[●]
● Relevant Screen Page:	[●]
● Relevant Time:	[●]
● Relevant Financial Centre:	[●]
(vii) ISDA Determination:	
● Floating Rate Option:	[●]
● Designated Maturity:	[●]
● Reset Date:	[●]
● ISDA Definitions:	2006
(viii) Margin(s):	[+/-][●] per cent. per annum
(ix) Minimum Rate of Interest:	[●] per cent. per annum
(x) Maximum Rate of Interest:	[●] per cent. per annum
(xi) Day Count Fraction:	[Actual/365 (Fixed)] [Actual/360] [30/360 / 360/360 / Bond Basis]

		[30E/360 / Eurobond Basis]
		[Actual/Actual – ICMA]
<b>16. Zero Coupon Note Provisions</b>		[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	[Amortisation/Accrual] Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption:	[Actual/Actual / Actual/Actual – ISDA]
		[Actual/365 (Fixed)]
		[Actual/360]
		[30/360 / 360/360 / Bond Basis]
		[30E/360 / Eurobond Basis]
		[Actual/Actual – ICMA]

## PROVISIONS RELATING TO REDEMPTION

<b>17. Call Option</b>		[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum nominal amount of Notes which may be redeemed:	[●]
	(b) Maximum nominal amount of Notes which may be redeemed	[●]
(iv)	Notice period:	[●]
<b>18. Clean-Up Call Option</b>		[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
<b>19. Put Option</b>		[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining</i>

*sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
  - (iii) Notice period: [●]
- 20. Relevant Event Redemption:** [Applicable/Not Applicable]
- [(i) Relevant Event Redemption Amount(s) of each Note: [●] per Calculation Amount]
- 21. Final Redemption Amount of each Note** [●] per Calculation Amount
- 22. Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●] per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**23. 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 €100,000 (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]**

[Registered Global Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the

- |     |  |                                   |
|-----|--|-----------------------------------|
|     |  | New Safekeeping Structure (NSS)]] |
| 24. | <b>New Global Note:</b>  | [Yes] [No]                        |
| 25. | <b>New Safekeeping Structure:</b>  | [Yes] [No]                        |
| 26. | <b>Financial Centre(s):</b>  | [[●]/Not Applicable]              |
| 27. | <b>Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):</b> | [Yes/No]                          |

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on Euronext Dublin of the Notes described herein pursuant to the €1,500,000,000 Euro Medium Term Note Programme of Aeroporti di Roma S.p.A.

Signed on behalf of **Aeroporti di Roma S.p.A.**

}

.....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Euronext Dublin]/[None]
- (ii) Admission to trading [Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on its regulated market with effect from [the Issue Date].] [Application is expected to be made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on its regulated market with effect from [●].]/[Not Applicable.]
- [The Notes will be consolidated and form a single series with the existing issue of [●][●] per cent. Notes due [●] on [●].]
- (iii) Estimate of total expenses related to admission to trading [●]

### 2. RATINGS

Ratings: [[The Notes to be issued [have been / are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

[[Each of] [Moody's], [S&P] [and] [Fitch] is established in the European Union and registered under Regulation (EC) No.1060/2009 (as amended) (the “**CRA Regulation**”) and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.]

[[●] is not [established in the European Union] [and] [registered under the CRA Regulation]]

*(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. [REASONS FOR THE OFFER – USE OF PROCEEDS]

*(See “Use of Proceeds” wording in Base Prospectus – If the reasons for the offer are different from “general corporate purposes, including, without limitation, capital expenditures and investments in accordance with the Regulatory Framework”, include such reasons here. If the Notes are “Green Bonds” provide a description and, if any, refer to the relevant green financing/bond framework/other [•].)*

[•]

### 4. [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.”]

### 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. [Floating Rate Notes only – HISTORIC INTEREST RATES]

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

[Benchmarks:

Amounts payable under the Notes will be calculated by reference to [•] which is provided by [•]. As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the “**Benchmarks Regulation**”). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration.]]

### 7. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

[FISN Code: [•]]

[CFI Code:	[●]]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable]/[Give name(s) and number(s)]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
Name and address of Calculation Agent (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] <i>[include for Registered Notes held in NSS]</i> and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p>

## 8. DISTRIBUTION

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated:	
(A) names of Managers:	[Not Applicable/ <i>give names</i> ]
(B) Stabilising Manager(s) (if any):	[Not Applicable/ <i>give name</i> ]

(C) Date of Subscription [●]  
Agreement:

(iii) If non-syndicated, name of [Not Applicable/*give name*]  
Dealer:

(iii) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2]; TEFRA  
C/TEFRA D/ TEFRA not applicable]

(iv) Prohibition of Sales to EEA [Applicable/Not Applicable]  
Retail Investors:

## 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. 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 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 their 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 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

### Italian Taxation

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes.*

*This is a general overview that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.*

*This overview also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this overview. This overview also assumes that each transaction with respect to the Notes is at arm's length.*

*Where in this overview, English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.*

*This overview assumes that the Notes are listed on a regulated market or on a multi-lateral trading platform of any EU Member State or of a State party to the European Economic Area which is included in the white list provided for by the Ministerial Decree of 4 September 1996, as most recently amended by Ministerial Decree of 23 March 2017 and as may be further amended by future decrees issued pursuant to Article 11 paragraph 4 (c) of Decree 239 (the "**White List Countries**").*

*The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this overview to reflect changes in laws and if such a change occurs the information in this overview could become invalid.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

### Interest on the Notes

#### *Notes qualifying as bonds or securities similar to bonds*

Decree 239 regulates the income tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to article 44 of Italian Presidential Decree No. 917/1986, as amended and supplemented ("**ITC**") issued, *inter alia*, by:

- (a) companies resident of Italy for tax purposes, whose shares are traded (*negoziare*) on a regulated market or on a multi-lateral trading platform of any EU Member State or of a State party to the European Economic Area which is included in the White List Countries; or
- (b) companies resident of Italy for tax purposes, whose shares are not listed as indicated above, provided that the notes are listed on the aforementioned regulated markets or platforms.

For this purpose, securities similar to bonds are securities issued in bulk that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal/face value or principal amount (*valore nominale*) and that do not allow any direct or indirect participation either in the management of the issuer or in the business in connection with which they have been issued, nor any control on such management.

### ***Italian resident Noteholders***

Where an Italian resident Noteholder, who is the beneficial owner of the Notes, is (i) an individual not engaged in a business activity to which the Notes are effectively connected (unless he has opted for the application of the “*Risparmio Gestito*” regime, see paragraph “*Capital Gains*” below), (ii) a non-commercial partnership, pursuant to Article 5 of ITC (with the exception of a general partnership, a limited partnership and similar entities), (iii) a non-commercial private or public institution or trust (except for a company or Italian resident investment fund), or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a substitutive tax, referred to as *imposta sostitutiva*, levied at the rate of 26% (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

If the Notes are held by an investor engaged in a business activity and the Notes are effectively connected with the same business activity, the Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to the Decree 239, *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* (“**SIMs**”), *società di gestione del risparmio* (“**SGRs**”), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Economy and Finance (the “**Intermediaries**”).

An Intermediary, in order to be entitled to apply the *imposta sostitutiva*, must satisfy the following conditions:

- (i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239; and
- (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder. If Interest on the Notes is not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident Noteholders, as a general rule, will be required to include Interest in their annual income tax return and will be subject to a final substitutive tax at a rate of 26%.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called discretionary investment portfolio regime (*Risparmio Gestito* regime as defined and described in “*Capital Gains*”, below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax

of 26% on the results.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509/1994 and Legislative Decree No. 103/1996 may be exempt from any income taxation relating to certain eligible financial instruments if the latter are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016 (the “**Finance Act 2017**”), and in Article 1 (210-215) of Law No. 145 of 30 December 2018 (the “**Finance Act 2019**”), as amended from time to time. The *imposta sostitutiva* also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an authorised Intermediary:

(A) *Corporate investors*

Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder’s yearly taxable income for the purposes of corporate income tax (“**IRES**”), generally applying at the current ordinary rate of 24% ; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities (“**IRAP**”), generally applying at the rate of 3.9% (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates). The IRAP rate can be increased by regional laws up to a certain threshold. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(B) *Investment funds*

Italian investment funds (including a *Fondo Comune d’Investimento*, or a SICAV, or an Italian resident “*società di investimento a capitale fisso*” (“**SICAF**”) to which the provisions of Article 9(2) of Legislative Decree No. 44 of 4 March 2014 apply, collectively, the “**Funds**”) are neither subject to *imposta sostitutiva* nor to any other income tax at the level of the Funds. Proceeds payable by the Funds to their quota-holders is generally subject to a 26% withholding tax;

(C) *Pension funds*

Pension funds (subject to the tax regime set out by Article 17 of Legislative Decree No. 252 of 5 December 2005, the “**Pension Funds**”) are subject to a 20% substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitutive tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017 and in Article 1 (210-215) of the Finance Act 2019, as amended from time to time; and

(D) *Real estate investment funds*

Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and to SICAFs to which the provisions of Italian Law Decree No 351 of 25 September 2001, as amended and supplemented, apply (the “**Real Estate Investment Funds**”) are generally subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. Unitholders are generally subject to a 26% withholding tax on distributions from the Real Estate Investments Funds. Law Decree No. 70 of 13 May 2011

(converted with amendments by Law No. 106 of 12 July 2011) has introduced certain changes to the tax treatment of the unitholders of Real Estate Investment Funds, including a direct imputation system (tax transparency) for certain non-qualifying unitholders (e.g. among others, Italian resident individuals) holding more than 5% of the units of the fund.

### ***Non-Italian resident Noteholders***

An exemption from *imposta sostitutiva* on Interest on the Notes is provided with respect to certain beneficial owners resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who: (i) is resident, for tax purposes, in a White List Country; or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a “**Qualified Noteholder**”).

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

- (i) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and
- (ii) an Italian resident bank or certain other specific financial institutions, or a permanent establishment in Italy of a non-resident bank or certain other specific financial institutions, acting as depository or sub-depository of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the “**Second Level Bank**”). Organisations and companies non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or certain other specific financial institutions, 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 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for the Noteholders who are non-resident in Italy is conditional upon:

- (i) the deposit of the Notes, 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 of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set out by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorised to manage the official reserves of a State.

Additional requirements are provided for “institutional investors”.

Failure of a non-Italian resident Noteholder to timely comply with the procedures set forth in Decree 239 and the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest to such non-Italian resident Noteholder.

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10%) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation provided by Measure of the Director of the Italian Revenue Agency No. 2013/84404 of July 10, 2013.

#### ***Notes qualifying as atypical securities (titoli atipici)***

Interest payments relating to Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) nor in the category of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*) are subject to a withholding tax, levied at the rate of 26%.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Investment Fund, (vii) a Pension Fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Where the Noteholder is (i) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, (ii) commercial partnership, (iii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In case of non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10%) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

### **Capital Gains**

#### ***Italian resident Noteholders***

Pursuant to Legislative Decree No. 461 of 21 November 1997 (the “**Decree 461**”) a 26% capital gains tax (the “**CGT**”) is applicable to capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy.

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

With regards to the CGT application, taxpayers may opt for one of the three following regimes:

(a) Tax return regime (“**Regime della Dichiarazione**”)

The Noteholder must assess the overall capital gains realised in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into the following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same

does not opt for any of the two other regimes;

(b) Non-discretionary investment portfolio regime (“*Risparmio Amministrato*”)

The Noteholder may elect to pay the CGT separately on capital gains realised on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorised intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale or transfer of the Notes, as well as in respect of capital gains realised at the revocation of its mandate. The intermediary is required to pay the relevant amount to the Italian tax authorities, by deducting a corresponding amount from the proceeds to be credited to the Noteholder. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return, and therefore no disclosure of investment needs to be made to the Italian Tax Authorities; and

(c) Discretionary investment portfolio regime (“*Risparmio Gestito*”)

If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realised, is subject to an *ad-hoc* 26% substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

The CGT does not apply to the following subjects:

(A) *Corporate investors*

Capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also to be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax value of the Notes

(B) *Funds*

Capital gains realised by the Funds on the Notes are neither subject to CGT nor to any other income tax at the level of the Funds (see *Italian Resident Noteholders*, above).

(C) *Pension Funds*

Capital gains realised by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to a 20% substitutive tax (see *Italian Resident Noteholders*, above).

(D) *Real Estate Investment Funds*

Capital gains realised by Real Estate Investment Funds and SICAFs to which the provisions of Italian Law Decree No. 351/2001, as subsequently amended, apply on the Notes are not

taxable at the level of Real Estate Investment Funds and SICAFs (see *Italian Resident Noteholders*, above).

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509/1994 and Legislative Decree No. 103/1996 may be exempt from Italian capital gain taxes on capital gains realised upon sale or redemption of certain eligible financial instruments if the latter are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017 and in Article 1 (210-2015) of the Finance Act 2019, as amended from time to time.

### ***Non Italian resident Noteholders***

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are traded in a regulated market in Italy or abroad (e.g. the Irish Stock Exchange).

Should the Notes not be traded in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Decree 461, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders resident in a White List Country.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realised upon sale or transfer of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realised upon any such sale or transfer.

### **Registration tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to fixed registration tax (€ 200); (ii) private deeds (*scritture private non autenticate*) should be subject to fixed registration tax only in certain circumstances, including in “case of use” or voluntary registration or on the occurrence of the “*enunciazione*” (€ 200).

### **Inheritance and gift tax**

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

- (i) 4% if the beneficiary (or donee) is the spouse or a direct ascendant or descendant (such rate only applying on the net asset value exceeding, for each person, €1 million);
- (ii) 6% if the beneficiary (or donee) is a brother or sister (such rate only applying on the net asset value exceeding, for each person, €100,000);
- (iii) 6% if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree; and
- (iv) 8% if the beneficiary is a person, other than those mentioned under (i), (ii) and (iii), above.

In case the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding €1.5 million.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act

2017 and in Article 1 (210-2015) of the Finance Act 2019, as amended from time to time, is exempt from inheritance tax.

### **Stamp duty**

Pursuant to Article 13, paragraph 2 *ter* of Part I attached to Italian Presidential Decree No. 642 of October 26, 1972, as amended from time to time, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.2%; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed, for taxpayers different from individuals (*e.g.*, for corporate entities and other bodies), €14,000.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Periodic reporting communications to clients are presumed to be sent at least once a year, even though the financial intermediary is not required to send any such communication. In this case, the stamp duty is to be applied on 31 December of each year or in any case at the end of the relationship with the client. At any rate, where no specific exemption applies, a minimum stamp tax of Euro 34.20 is due on a yearly basis.

### **Wealth tax on securities deposited abroad**

Pursuant to Article 19 (18) of Law Decree of 22 December 2011 n. 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay a wealth tax at a rate of 0.2%. Such tax is due only in cases where the stamp duty described in the previous paragraph (*Stamp duty*) is not due.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Tax monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid investments to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided for, *inter alia*, foreign investments or financial activities in case (a) such investments/activities are held in portfolio regimes with Italian resident intermediaries and (b) incomes deriving from such investments/activities are subject in Italy to a withholding/substitutive tax.

### **Financial Transaction Tax**

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive on a common financial transaction tax (“FTT”) in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the (“**Participating Member States**”). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is “established” in a Participating Member State. A financial institution may be, or be deemed to be “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **U.S. Foreign Account Tax Compliance act**

Sections 1471 through 1474 of FATCA impose a new reporting regime and potentially a withholding tax with respect to certain payments to any non-U.S. financial institution (a “**FFI**”) that does not enter into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA.

Pursuant to the intergovernmental agreement (“**IGA Italy**”) signed by the United States of America and the Republic of Italy on 10 January 2014 and implemented in Italy by Law No. 95 of 18 June 2015, a FFI is not generally subject to withholding under FATCA on any payments it receives. Furthermore, a FFI is not required to withhold from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary” regime, under which, in certain cases, a 30% withholding tax is applied on the payments from sources within the United States).

Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an amended and restated dealer agreement (as amended or supplemented from time to time, the “**Dealer Agreement**”) dated 27 June 2019 agreed with the Issuer a basis upon which they may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “**Forms of the Notes**” and “**Terms and Conditions of the Notes**”. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses incurred in connection with this and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, 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 under the Securities Act.

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 (whether or 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 available exemption from registration under the Securities Act.

### **European Economic Area**

#### ***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes specify the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented 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 Base Prospectus as completed by the applicable Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be), to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the applicable 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 applicable 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 and the Issuer has consented in writing to its use for the purposes of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) 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 (d) 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.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it 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; and
- (ii) 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.

## France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des Marchés Financiers* (“AMF”) of the approval of the prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, as amended, all in accordance with articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus; or

- (ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French *Code monétaire et financier*.

## Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended (“**Regulation No. 20307**”) pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971**”), implementing Article 100 of the

Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”);  
or

- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and its implementing Consob Regulations, including Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy 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, Regulation No. 20307, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) (in each case, as amended) and any other applicable laws or regulation; and
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy;
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or other competent Authority.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

## **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer, the Trustee nor the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law or regulation. Any such modification will be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

The establishment of the EMTN Programme by the Issuer was duly authorised by a resolution of the Board of Directors of the Issuer dated 8 November 2013 whilst its update was duly authorised by a resolution of the Board of Directors of the Issuer dated 19 June 2019.

Each issue of Notes by the Issuer under the Programme will be authorised by the competent corporate bodies in accordance with applicable laws and the relevant provisions of its by-laws. In particular, each issuance resolution (*delibera di emissione*) is to be made in notarial form and registered in the competent Companies' Register (*Registro delle Imprese*).

### Listing of Notes on Euronext Dublin

This Base Prospectus has been approved by the Central Bank of Ireland. Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on its regulated market. Euronext Dublin's regulated market is a regulated market for the purposes of MiFID II.

The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

### Documents Available

For so long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection in hard copy, without charge, from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Ireland:

- (i) the articles of association and by-laws (with an English translation thereof) of the Issuer;
- (ii) the Trust Deed, the Agency Agreement, the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (iii) the most recently published audited consolidated annual financial statements of the Issuer and the most recently published consolidated interim financial statements (if any) of the Issuer (in each case with an English translation thereof as soon as such translation is available);
- (iv) a copy of this Base Prospectus, together with any supplement to this Base Prospectus, and the documents incorporated by reference herein, free of charge; and
- (v) any future Base Prospectus, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes in bearer form have been, and the Notes in registered form will be (if they are to be listed on Euronext Dublin), accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN 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 Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Material adverse change in the prospects of the Issuer and its subsidiaries**

Except as set out in this Base Prospectus under “*Business Description of the Group – Recent Developments*”, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole since 31 December 2018.

### **Significant change in the financial or trading position of the Issuer and its subsidiaries**

Except as set out in this Base Prospectus under “*Business Description of the Group – Recent Developments*”, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2018.

### **Legal Proceedings**

Except as set out in this Base Prospectus under “*Business Description of the Group – Legal Proceedings*” and in the 2018 Consolidated Financial Statements incorporated by reference herein (see “*Incorporation by Reference*” above), neither the Issuer nor any subsidiary of the Issuer is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any subsidiary of the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations. Furthermore certain Dealers and their affiliates may have positions or enter into hedging agreements on behalf of the Issuer and its affiliates and related companies, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For the purpose of this paragraph the term “affiliates” include also parent companies.

### **Foreign languages used in the Base Prospectus**

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

### **Independent Auditors**

The Issuer's current independent auditors are EY S.p.A., with registered office at Via Po 32, 00198, Rome, Italy (the "**Independent Auditors**").

EY S.p.A. is authorised and regulated by MEF and registered on the special register of auditing firms held by MEF. The Independent Auditors have no material interest in the Issuer. The Independent Auditors' appointment was conferred for the period 2013 to 2021 by the shareholders' meeting held on 9 April 2013 and will expire on the date of the shareholders' meeting convened to approve AdR's financial statements for the financial year ending 2021.

***Registered offices of the Issuer***

**Aeroporti di Roma S.p.A.**  
Via Pier Paolo Racchetti, 1  
00054 Fiumicino (Rome)  
Italy

***Auditors***

**EY S.p.A.**  
Via Po 28  
Rome 00198  
Italy

***Trustee***

**BNY Mellon Corporate Trustee Services Limited**  
One Canada Square  
London E14 5AL  
United Kingdom

***Registrar***

**The Bank of New York Mellon SA/NV, Luxembourg**  
Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

***Principal Paying Agent and Transfer Agent***

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL  
United Kingdom

***Irish Listing Agent***

**BNP Paribas Securities Services, Luxembourg Branch**  
60 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

***Legal Advisers***

*To the Issuer as to  
Italian law*

**Legance – Avvocati Associati**  
Via Broletto, 20  
20121 Milan  
Italy

*To the Dealers as to  
English and Italian law*

**White & Case (Europe) LLP**  
Piazza Diaz, 2  
20123 Milano  
Italy

*Arrangers*

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Mediobanca – Banca di  
Credito Finanziario S.p.A.**  
Piazzetta Enrico Cuccia, 1  
20121 Milan  
Italy

*Dealers*

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Crédit Agricole Corporate  
and Investment Bank**  
12, Place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**Mediobanca – Banca di  
Credito Finanziario S.p.A.**  
Piazzetta Enrico Cuccia, 1  
20121 Milan  
Italy

**Natixis**  
30 avenue Pierre Mendès - France  
75013 Paris  
France

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Germany