



**Aeroporti di Roma S.p.A.**

incorporated as a joint stock company in the Republic of Italy  
with registered office at Via dell'Aeroporto di Fiumicino 320, Fiumicino (RM)  
share capital equal to Euro 62,224,743.00 fully-paid up  
Fiscal Code and VAT number No. 02940180249  
registered with the Company's register of Rome under No. 13032990155

**ADMISSION DOCUMENT**

**to the trading on the professional segment (ExtraMOT PRO) of the ExtraMOT  
managed by Borsa Italiana S.p.A of the  
“€215,000,000 5.441 per cent. Class A4 Secured Class A4 Notes due 2023”  
ISIN code: XS0161620942 / Common code 016162094 (the “Class A4 Notes”)**

Following an issuer substitution effective from (and including) 20 March 2016, Aeroporti di Roma S.p.A. has become the principal and sole debtor and obligor under the Class A4 Notes which were originally issued by Romulus Finance S.r.l. on 20 February 2003.

The financial instruments are in dematerialised form

**NEITHER CONSOB NOR BORSA ITALIANA S.P.A HAVE EXAMINED OR  
APPROVED THE CONTENT OF THIS ADMISSION DOCUMENT**

## IMPORTANT NOTICES

This admission document dated 16 March 2016 (the “**Admission Document**”) contains important information and it should be read in its entirety, in conjunction with all information which is incorporated by reference in and forms part of this Admission Document.

This Admission Document is made available at the registered office of Aeroporti di Roma S.p.A. (“**AdR**”), at Via dell’Aeroporto di Fiumicino, 320, Fiumicino (Roma) and on the website of AdR at the following link (<http://www.adr.it/web/aeroporti-di-roma-en/-/azn-company>).

This Admission Document has been prepared exclusively in relation to the admission to trading on the professional segment of the ExtraMOT (the “**ExtraMOT PRO**”), managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”), of the “£215,000,000 5.441 per cent. Class A4 Secured Class A4 Notes due 2023”, ISIN code: XS0161620942 / Common code 016162094 (the “**Class A4 Notes**”) originally issued by Romulus Finance S.r.l. (“**Romulus**”) on 20 February 2003 and of which – following an issuer substitution effective from (and including) 20 March 2016 (the “**Issuer Substitution**” and the “**Issuer Substitution Effective Date**”, respectively) – AdR has become the principal and sole debtor and obligor thereunder.

This Admission Document has been drafted in accordance with the rules of the ExtraMOT PRO (the “**Rules of ExtraMOT**”) and does not represent a prospectus pursuant to Legislative Decree No. 58 dated 24 February 1998 and to Regulation No. 11971 dated 14 May 1999, both as subsequently amended and supplemented (the “**Financial Services Act**” and “**Regulation No. 11971**”, respectively).

Neither this Admission Document nor the transactions described herein represent, or may be intended as representing, a public offering of financial instruments nor an admission to trading of financial instruments on a regulated market (*mercato regolamentato*) as defined in the Financial Services Act and in the Regulation No. 11971. Therefore, the Class A4 Notes are not subject to the Commission Regulation (EC) No. 809 dated 29 April 2004 implementing the Directive 2003/71/EC, as successively amended.

This Admission Document is not a prospectus for the purposes of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU), or with any other rule or regulation regarding the prospectus to be published for the offer or for the admission to trading of financial instruments (including Articles 94 *et. seq.* and 113 *et. seq.* of the Financial Services Act).

Neither the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) nor Borsa Italiana have examined or approved this Admission Document.

English is the language used by AdR for the purposes of this Admission Document, as well as for the purposes of any other document and/or information made available and/or to be made available to the investors pursuant to applicable laws and regulations and to the terms and conditions of the Class A4 Notes.

The Class A4 Notes have not been and will not be registered under the United States Securities Act of 1933 and securities legislations of other countries where it is unlawful to sell, transfer or deliver the Class A4 Notes, either directly or indirectly, in lack of exemptions or authorisations from the competent Authorities (the “**Other Countries**”) and, accordingly, the Class A4 Notes may not be offered, sold or delivered within the United States and the Other Countries or to, or for the account or benefit of, U.S. persons or to those persons to whom they may not be sold, transferred or delivered pursuant to applicable laws. The publication and the distribution of this Admission Document and the offering, sale and delivery of the Class A4 (direct or indirect) in certain jurisdictions may be restricted by law. Therefore, investors are required to inform themselves about and to observe such restrictions. The violation of such restrictions may constitute a violation of the applicable securities legislation in the competent jurisdiction.

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## **LIABILITY STATEMENT**

AdR accepts responsibility for the information contained in this Admission Document and declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is in accordance with the facts and contains no omission likely to affect its import.

AdR, having made all reasonable enquiries, confirms that this Admission Document contains all information with respect to itself and its subsidiaries taken as a whole (AdR, together with its consolidated subsidiaries, the “**Group**”) and the Class A4 Notes, 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 Admission Document 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 make any statement in this Admission Document misleading in any material respect and that all reasonable enquiries have been made by AdR to ascertain such facts and to verify the accuracy of all such information and statements.

## FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Admission Document 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 Admission Document 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. AdR does not undertake 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 AdR in this Admission Document which attempt to advise interested parties of the factors that affect AdR, the Group and their business, including the disclosures made under "*Risk Factors*" and "*Business Description of the Group*". AdR 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 AdR or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Admission Document. 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.

## **RISK FACTORS**

*AdR believes that the following factors may affect its ability to fulfil its obligations under the Class A4 Notes. Most of these factors are contingencies that may or may not occur and AdR 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 purposes of assessing the market risks associated with the Class A4 Notes are also described below.*

*An investment in the Class A4 Notes involves risks. AdR believes that the factors described below represent the principal risks inherent in investing in the Class A4 Notes. However, the inability of AdR to pay interest, principal or other amounts on or in connection with the Class A4 Notes may occur for other reasons that may not be considered significant risks by AdR 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 Class A4 Notes could decline and Noteholders may lose all or part of their investment. Any prospective Noteholders should carefully consider all information contained in this Admission Document 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 Admission Document have the same meaning in this section. Prospective Noteholders should read the entire Admission Document.*

### **FACTORS THAT MAY AFFECT ADR'S ABILITY TO FULFIL ITS OBLIGATION UNDER THE NOTES**

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

##### **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 legal concession (the "**Concession**") to manage and operate (directly or indirectly through other Group companies or third parties) Fiumicino Airport and Ciampino Airport (together, the "**Airports**"). As at 30 September 2015, 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 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. However, the Concession is currently set to expire on 30 June 2044. Upon the expiry of the Concession, all buildings, plant and machinery at the Airports and certain movable items of equipment considered necessary for the airport services that are the object of the Concession must be returned in a good state of repair to the Italian state (*demanio dello Stato*), subject in certain cases to the payment of compensation to AdR (see "*Business Description of the Group — History and Development — The New Regulatory Framework*" and "*Regulatory Framework*" for further information). No assurances 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 AdR's ability to fulfil its obligations under the Class A4 Notes.

***The Group is subject to penalties or sanctions for non-performance of its obligations or default under the Concession and the New Regulatory Framework, which, if unremedied, could result in the Concession and the New 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 Group — Overview*”) to such an extent as to be adequate for over 100 million passengers per year by 2044 (with overall estimated investments of approximately Euro 12 billion);
- 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
- the operation and maintenance of all equipment and machinery necessary for the performance of directly managed airport services.

Pursuant to the New 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 New 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 New 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 reasons as detailed further below, as well as due to the circumstances triggering the foregoing, see “*Regulatory Framework — The New 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 a compensation payment would be paid to AdR (see “*Regulatory Framework — The New 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 New 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 AdR’s ability to fulfil its obligations under the Class A4 Notes. So far no penalties or sanctions under the New Regulatory Framework have been claimed or threatened in relation to the fire which broke out at Terminal 3 of Fiumicino Airport during the night of 6 May 2015, but it cannot be excluded that any such penalties or sanctions may be claimed in the future (see “*Other significant facts and developments in 2015 – Fire at Terminal 3 of Fiumicino Airport*” for further information).

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

The New 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 New Regulatory Framework provides tariff periods of ten years, divided into five-year sub-periods, the first of which is from 2012 to 2016 (inclusive). At the end of each tariff period and sub-period, the New 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 New Regulatory Framework also contemplates 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 weighted average cost of capital relating to the investments made) and on a ten-year basis (which requires the signing of an agreement between AdR and ENAC (as defined in “*Business Description of the Group — 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 (including in the tariff period starting in 2017) if AdR has not met its obligations under the New Regulatory Framework.

***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 New 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 the compensation payment payable to AdR could lead to protracted negotiations or litigation regarding the amount of such compensation payment. Therefore, any of these termination events could result in the Group receiving less than it expects in a termination event. Such compensation payment may not adequately cover the Group’s investments under the Concession and the New 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 AdR’s ability to fulfil its obligations under the Class A4 Notes. See “*Regulatory Framework — The New Concession — Main Concession Terms — The Compensation Payment*” for further information.

### **Risks Relating to the Implementation of the Investment Plan**

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

The long-term investment plan (the “**Investment Plan**”) contained within the New 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 the current Fiumicino Airport (“**Fiumicino South**”), (ii) the construction and development of a new terminal north of Fiumicino South and its supporting infrastructure (“**Fiumicino North**”) and (iii) the conversion of Ciampino Airport into a city airport to ensure it complies with certain environmental limitations (collectively, the “**Projects**”). For further information on the Development 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, *inter alia*, include:

- 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 the national and local governmental levels);
- 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 of contractors and subcontractors (whether such work is performed by the Group or by third parties);
- the commencement of bankruptcy proceedings with respect to contractors and subcontractors and reopening of public tender procedures;

- interruptions resulting from litigation, inclement weather, revocation of approvals or additional requests from local authorities;
- interruptions 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 cost and time of completion estimates for 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 the 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 New Concession – Main Concession Terms*" for further information). Therefore, any failure to complete the Projects within the planned timeframe and/or budget could have a material adverse effect on the Group's financial condition and results of operations and may affect AdR's ability to fulfil its obligations under the Class A4 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 prevent the construction works from proceeding in order to conduct various verification procedures that could delay the completion of construction works necessary for the Investment Plan.

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 the subsequent legal proceedings may also result in further construction delays and even cessation 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 New 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 AdR's ability to fulfil its obligations under the Class A4 Notes.

***Opposition from local communities and failure to obtain, maintain and comply with governmental consents necessary for the Projects could delay 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 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. Implementing the Investment Plan requires obtaining, maintaining and complying with all necessary permissions, licenses and consents from public authorities.

These consents may be subject to, or impeded by, local residents and communities opposing the Projects and any other third party infrastructure and public transport improvements to motorways and railways connecting the Airports to the surrounding areas. The Group is also subject 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 such developments may generate pollution or otherwise cause 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 the land needed for such developments (the so-called “not-in-my-backyard” or “NIMBY” protests). The occurrence of any such NIMBY protests during the approval process of new constructions could lead to increases in investment costs and further legal proceedings, which in turn could result in significant delays in implementing the Investment Plan.

Any failure or delay in securing, or complying with, any necessary permissions or consents, or obtaining those permissions or consents subject to restrictions or limitations, could lead to 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 AdR’s ability to fulfil its obligations under the Class A4 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 constrains the Group’s ability to include these additional costs in tariffs charged to airlines, the allocation of the 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 AdR’s ability to fulfil its obligations under the Class A4 Notes.

#### **RISKS RELATING TO THE GROUP’S OPERATIONS**

***Reduced air traffic volumes and corresponding decreases in revenues derived from tariffs and royalties could adversely affect the Group’s revenues and profitability.***

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 New 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 revenue depends primarily on air traffic volumes such that reduced air traffic would affect both tariffs and royalties.

Air traffic volumes at the Airports increased by 6.4% in the year ended 31 December 2014 compared to the same period in 2013 and, notwithstanding the consequences of the fire which broke out at Terminal 3 of Fiumicino Airport during the night of 6 May 2015 (in relation to which see “Other significant facts and developments in 2015 – Fire at Terminal 3 of Fiumicino Airport” for further information), increased by 6.8% in the nine months ended 30 September 2015 compared to the same period in 2014 (see, *inter alia*, “Business Description of the Group” for further information). Under the New Regulatory Framework, decreases in air traffic volumes could result in investments being delayed or frozen if air traffic volumes fall below certain levels.

If air traffic volumes decrease, it could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect AdR’s ability to fulfil its obligations under the Class A4 Notes.

***The Group’s business may be adversely affected by macro-economic factors and changing economic circumstances outside the Group’s control, which may increase the costs of air travel for passengers.***

Changing economic circumstances may affect demand for travel, such that during periods of economic slowdown, passengers may reduce or curtail their travel spending, impacting passenger numbers and the propensity of such passengers to spend money in the shops at the Airports, thereby ultimately impacting the Group’s revenues.

For example, one such macro-economic factor is the volatility of fuel prices, which impacts passenger demand due to correlated increases in travel costs. Fuel costs typically represent a large percentage of airlines’ operating costs. Typically, fuel prices fluctuate widely, based on international market conditions, geo-political events and exchange rates. When fuel prices increase significantly, airlines may seek to pass on these additional costs to their customers by increasing airfares, which may reduce demand and the number of passengers.

Any reduction in flights, decrease in the number of passengers at the Airports or decrease in such passengers’ propensity to spend money the Airports’ shops could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect AdR’s ability to fulfil its obligations under the Class A4 Notes.

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

The number of passengers using the Airports may be affected by a number of factors, including:

- macroeconomic events, whether affecting the global economy generally or the Italian economy in particular;
- 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;
- labour unrest;
- an increase in airfares due to increased airline costs;

- 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;
- global pandemics or other health scares;
- disruptions caused by natural disasters;
- severe weather conditions at the Airports causing flight cancellations, significant changes to airlines' schedules and possible damage to the Airports' facilities;
- other extraordinary and unforeseeable events such as a fire, 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;
- acts of terrorism;
- cybersecurity threats;
- changes in domestic or international regulation;
- the quality of services and facilities, including the impact of construction projects; and
- changes in airline ownership/alliance competition.

A reduction in flights or a decrease in the number of passengers using the Airports as a result of any of the factors noted above could have a material adverse effect on the Group's business, financial condition and results of operations.

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 rebuilding 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 AdR's ability to fulfil its obligations under the Class A4 Notes.

***The Group is primarily dependent on Alitalia, EasyJet, Ryanair and Vueling.***

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. ("**Alitalia**"), Fiumicino Airport's hub carrier, EasyJet, Ryanair and Vueling. Furthermore, the Group is dependent also on the partners of the Sky Team Alliance to which Alitalia is a partner. These airlines may decide to discontinue their routes to or from Fiumicino Airport or Ciampino Airport and/or use alternative airport facilities outside of the Rome Airport System. Such decisions may be affected, *inter alia*, by changes in the cost structure of these airlines, which in turn is strongly influenced by (i) the airlines' financial condition, (ii) the volatility of the price of oil, and (iii) the taxes, fees or tariffs imposed on the airlines.

Consequently, these airlines have a significant influence on the Group's aviation and commercial activities. As for other sector operators, the possible decrease or discontinuation of flights by one or more of the above mentioned main carriers, a decision by any of these airlines to restructure its route network, place less emphasis on the Rome Airport System or generally shift its business strategy could adversely affect passenger and cargo throughput and the volume of air transport at the Rome Airport System. Similarly, any

deterioration in the business relationship between the Group and any of these airlines could lead to such airline using another airport as its hub or decreasing the number of flights routed into or through the Rome Airport System. The foregoing may negatively impact the activity and growth prospects of the Group and its results of operations and financial position and may affect AdR's ability to fulfil its obligations under the Class A4 Notes.

Furthermore, Alitalia plays the role of hub carrier at Fiumicino Airport. Although the market share of Alitalia at Fiumicino Airport is lower than the incidence of the hub carriers in some of the main European airports (Frankfurt 63%, Munich 56%, Paris – Charles De Gaulle 52%, Amsterdam 54%, London – Heathrow 47% - Source: Airport IS – SRS, December 2014), any reduction or loss of service by Alitalia – which in the recent past has recorded a decrease in passengers at Fiumicino Airport and experienced increasing losses – would be difficult to replace with another carrier capable of adopting the “hub and spoke” model to cover Alitalia's volume of traffic, which accounted for approximately 41% of Fiumicino Airport's total traffic during the nine months ended 30 September 2015. This could therefore lead to significant reductions in the overall air traffic volumes at Fiumicino Airport, may negatively impact the activity and growth prospects of the Group and its results of operations and financial position and may affect AdR's ability to fulfil its obligations under the Class A4 Notes.

Any reduction or cessation of flights by Alitalia, its Sky Team Alliance partners, EasyJet, Ryanair or Vueling due to a change in strategy, deteriorating business relations with the Group or a worsening financial situation could have a material adverse effect on the Group's business, financial condition and results of operations and may affect AdR's ability to fulfil its obligations under the Class A4 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 European Community Regulation CE/95/93 on common rules for the allocation of slots at Community airports, as amended and implemented (“**Regulation CE/95/93**”). Regulation CE/95/93 attempts to reconcile the interests of airlines already operating from an airport with the needs of new airlines that must be guaranteed access to such an 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 CE/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. Thus, 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 AdR's ability to fulfil its obligations under the Class A4 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 for 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 E.U., primarily from fast growing markets, such as the Far East, the Middle East and North and South America. In such a competitive market, the Group has been developing its international network by increasing also its European markets by focusing on cities with higher development rates. With the increased international traffic at the Airports, it is imperative that the Airports are in a position to service and expand on such 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 AdR's ability to fulfil its obligations under the Class A4 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 as hub for the reference carriers, which is experiencing a phase of reorganization and development in accordance with the Concession and the New Regulatory Framework. In particular, a failure by these third parties to appropriately respond to passenger volumes, accidents, fire, technical defects, failures in IT or data processing, may cause flight delays, damage to facilities, and the cancellation of airport services. Furthermore, these risks may be compounded if any such third parties experience financial difficulties or insolvency. Any of these events or a combination of events could have a material adverse effect on the Group's business, financial condition and results of operations and may affect AdR's ability to fulfil its obligations under the Class A4 Notes.

***The Group's business operations may be affected by reduced levels of service provided by cargo and baggage handling services 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. Primarily, the contracts governing relations between the handler and the carrier 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.*, waiting time in the queue at check-in and/or for boarding and baggage reclaim), which could result in the carrier 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 AdR's ability to fulfil its obligations under the Class A4 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 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 in high-speed rail transport, which could result in air travel becoming less attractive compared to high-speed rail travel for domestic routes. Rome is connected to many domestic destinations that can also be reached by high-speed rail and motorways, with times and costs, for certain routes, that may be more competitive than those of air transport. 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 that 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 volume at the Airports could have a material adverse effect on the Group's business, financial condition and results of operations and may affect AdR's ability to fulfil its obligations under the Class A4 Notes.

### ***International financial crisis.***

From the final quarter of 2007 to the beginning of 2014, disruption in the global credit markets created increasingly difficult conditions in the financial markets. During this period, global credit and capital markets experienced unprecedented volatility and disruption, and business credit and liquidity tightened in much of the world. In particular, in 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Portugal, Spain and Italy, which created concerns about the ability of these European Union states to continue to service their sovereign debt obligations. In response to the crisis, assistance packages were granted to certain Eurozone countries. Measures were also implemented to recapitalise certain European banks, encourage greater long-term fiscal responsibility on the part of the individual Member States of the European Union and bolster market confidence in the Euro as well as the ability of Member States to service their sovereign debt, to increase liquidity and to reduce the cost of funding. The recovery of disposable income, supported by the above measures, improved consumer confidence and led to moderate growth in consumption. However, there is no guarantee that such measures will ultimately and finally resolve the Eurozone crisis. Since 2014 global economic activity has started to recover, albeit with moderate and varied intensity across the Eurozone countries. The recovery remains uncertain and burdened by continuing geopolitical tension in the short and medium term, due to persistent weaknesses in the Eurozone and to economic and political uncertainties in some emerging markets. Ongoing concerns about the crisis in Europe, as well as the possible exit from the Eurozone of one or more Member States and/or the replacement of the Euro by one or more successor currencies to which the foregoing could lead, could have a detrimental impact on the global economic recovery and the repayment of sovereign and non-sovereign debt in certain countries, as well as on the financial condition of European institutions (both financial and corporate), and could further increase the volatility in global financial markets. There can be no assurance that the economy in Europe will not worsen, nor can there be any assurance that assistance packages or measures will be available or, even if provided, will be sufficient to stabilise affected countries and markets and secure the position of the Euro. The protraction or exacerbation of the above financial and macroeconomic conditions could have an adverse impact on AdR's ability to fulfil its obligations under the Class A4 Notes.

### ***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. 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, E.U. 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 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, such as for example those implemented or yet to be implemented in order to restore in full the safety of the airport pursuant to applicable laws and regulations following the fire which broke out at Terminal 3 of Fiumicino Airport during the night of 6 May 2015 and the judicial proceedings commenced in connection thereto (see "*Other significant facts and developments in 2015 – Fire at Terminal 3 of Fiumicino Airport*" for further information). 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 then be required to incur additional costs related to implementing such new laws and regulations. For example, beginning on 1 May 2013, the Lazio Region (within which the Airports operate) imposed a regional tax on aircraft sound emissions (IRESA) which has to be paid by the airlines, which then may pass on the added cost to their passengers, which may further result in reduced air traffic at the Airports. AdR has started to charge this tax in May 2014 (applicable from 1 January 2014) after signing of the agreement for tax management with the Lazio Region dated 30 January 2014. See also "*Regulatory Framework — Certain rules and regulations enacted to date and other relevant information on the application of the New Concession and ERA*". 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 raised sufficiently to generate enough revenue 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 AdR's ability to fulfil its obligations under the Class A4 Notes.

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

The Group is exposed to a number of operational risks that could lead to service interruptions at the Airports. These operational risks include, *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. Some of these risks could result in the deaths of passengers or employees and damage to, or destruction of, infrastructure, properties and the environment, any of which could cause significant service interruptions at the Airports, as it was the case, for example, for the fire which broke out at Terminal 3 of Fiumicino Airport during the night of 6 May 2015.

More specifically, in common with other airports, there is always the risk of an accident, act of terrorism, or outbreak of 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 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 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, incurring potentially 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 interruptions.

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 interruptions at the Airports. The Group must also carry out regular and any necessary unplanned repairs and maintenance at the Airports, that may involve temporary shut downs of, terminals, taxiways and runways that could also lead to an interruption of service 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' infrastructures and facilities (including shops and retail areas). Such decrease in air traffic volumes and temporary inability to operate infrastructures and facilities could result in a significant decline in revenue from the Airports or a significant increase in expenditures 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 AdR's

ability to fulfil its obligations under the Class A4 Notes. See “*Business Description of the Group – Insurance*”.

***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 has adopted *ad hoc* structures dedicated to addressing issues relating to operational safety, AdR 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 and employees 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 AdR’s ability to fulfil its obligations under the Class A4 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 AdR’s ability to fulfil its obligations under the Class A4 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. The improvement to the road and railway networks, which is essential for enhanced accessibility to the Airports and the extension of their geographic coverage, is 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 AdR’s ability to fulfil its obligations under the Class A4 Notes.

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

As part of its 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 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. The Group is currently party to various litigation proceedings including, without limitation, a pending proceeding before the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale del Lazio*) brought by the Municipality of Viterbo contesting, *inter alia*, the validity of the New Regulatory Framework (see “*Business Description of*

*the Group — Legal Proceedings*” for further information). If the Group is not successful in some or all of these matters or in future legal challenges (including potential class actions or legal proceedings which the Group deems are without merit or for which the potential Group liability cannot currently be estimated), the Group could be ordered to pay significant damages, which could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect AdR’s ability to fulfil its obligations under the Class A4 Notes. As at 30 September 2015, the Group had a Euro 36.9 million provision in its financial statements to cover legal proceedings.

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 any negative outcome and in cases in which it currently believes that negative outcome is not likely. In this connection, no provisions have been recorded for the moment in relation to actions and proceedings in which the Group may be involved as a consequence of the fire which broke out at Terminal 3 of Fiumicino Airport during the night of 6 May 2015. There can be no assurance, however, that the Group will not be ordered to pay an amount of damages with respect to a given matter for which it has not recorded an equivalent provision or any provision at all.

***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 carries all risk, accident and civil liability insurance, there can be no assurance that these policies 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. The Group may not have, or may cease to have, insurance coverage if the loss is not covered under, or is excluded from, an insurance policy including by virtue of a deductible applying, exhaustion of applicable cover limits or the application of an excess level or if the relevant insurer successfully avails itself of defenses available to it, such as breach of disclosure duties, breach of policy condition or misrepresentation. Moreover, there can be no assurance that if insurance coverage is cancelled or not renewed, replacement coverage will be available at commercially reasonable rates or at all. Any failure to obtain or maintain insurance or to collect under relevant insurance policies could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect AdR’s ability to fulfil its obligations under the Class A4 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 operating losses it may experience, such as reduced revenue, resulting from work stoppages, strikes or similar industrial actions. In addition, the Group is also affected by work stoppages of third parties’ employees, such as the 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 E.U. has taken measures to harmonise European airspace through the merger of various E.U. member states’ air-traffic-control bodies. However, air-traffic-controller labour unions, who fear the changes will result in significant job losses, have been engaged in work stoppage actions. Such labour difficulties with 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 AdR’s ability to fulfil its obligations under the Class A4 Notes.

***The Group’s business may be adversely affected by the departure of key personnel.***

The Group relies on the skills and experience of certain key personnel including members of the Management Board and other personnel of its subsidiaries. The loss of services of any of these key

individuals could have a material adverse effect on the Group's business, financial condition and results of operations and may affect AdR's ability to fulfil its obligations under the Class A4 Notes.

#### **RISKS RELATING TO THE SECURITISATION AND THE SECURITY**

***The value of the security may fluctuate. The security interest may not be sufficient to secure all the obligations under the Class A4 Notes and the Note Trust Deed.***

As a continuing security for the payment and discharge of all present and future monies, obligations and liabilities of AdR to the holders of the Class A4 Notes and to the Note Trustee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Note Trust Deed and the Class A4 Notes, under the Deed of Assignment AdR has assigned to the Note Trustee by way of security all of its rights, title, interest and benefit in, to and under (i) the cross-currency swap transaction originally entered into by Romulus and Ambac Financial Services L.P. on or about 20 February 2003 and subsequently novated in part to Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") pursuant to a novation agreement dated 18 March 2010 and as subsequently novated pursuant to a novation agreement dated 15 March 2016 between Romulus, AdR and Mediobanca and (ii) the cross-currency swap transaction originally entered into by Romulus and Ambac Financial Services L.P. on or about 20 February 2003 and subsequently novated in part to UniCredit S.p.A. ("**UniCredit**") pursuant to a novation agreement dated 18 March 2010 and as subsequently novated pursuant to a novation agreement dated 15 March 2016 between Romulus, AdR and UniCredit (collectively, the "**Relevant Agreements**"), provided that the aggregate amount of such monies, obligations and liabilities secured by the Deed of Assignment shall not at any time exceed in aggregate Euro 96,455,000.

The value of the receivables assigned under the Deed of Assignment and the amount to be received, if any, upon enforcement will depend upon many factors, including, among others, the fluctuation of the GBP / Euro exchange rate and the mark-to-market of the Relevant Agreements. In the event that AdR is out of the money under the Relevant Agreements, the value of the receivables assigned under the Deed of Assignment (and therefore the value of the security interest) would be equal to zero.

***The rights of holders of the Class A4 Notes under the Deed of Assignment may be adversely affected by the failure to perfect the security interests granted thereunder.***

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security and/or the assigned debtor. Failure in performing applicable formalities may result in the invalidity of the relevant security interest or adversely affect the priority of such security interest in favour of the holders of the Class A4 Notes and the Note Trustee, including a trustee in bankruptcy and other creditors who claim a security interest in the same collateral.

***The security interests documented under the Deed of Assignment will not be granted directly to the holders of the Class A4 Notes.***

The security interests documented under the Deed of Assignment that will secure the obligations of AdR under the Class A4 Notes and the Note Trust Deed in accordance with, and subject to, the terms set forth therein will not be granted directly to the holders of the Class A4 Notes. Rather they will be granted in favour of the Note Trustee. The Deed of Assignment will also provide that only the Note Trustee shall have the right to enforce the relevant security interest. As a consequence, holders of the Class A4 Notes will not be entitled to take enforcement action in respect of the Deed of Assignment and the security interests created thereunder, except through the Note Trustee.

***The grant of a security interest to secure the Class A4 Notes might be challenged or voidable in an insolvency proceeding.***

The grant of the security interest documented under the Deed of Assignment to secure the Class A4 Notes may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified “clawback” period following the grant. To the extent that the grant of such security interest is voided, holders of the Class A4 Notes would lose the benefit of the relevant security interest.

***The insolvency laws of the Republic of Italy may not be as favourable to holders of Class A4 Notes as insolvency laws of another jurisdiction with which Noteholders may be familiar.***

The rights of holders under the Class A4 Notes will be subject to the insolvency and administrative laws of, amongst others, the Republic of Italy. Such proceedings are likely to be complex and costly and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of holders of the Secured Class A4 Notes. The bankruptcy laws of Italy may be less favourable to Noteholders’ interests as a creditor than the bankruptcy laws of any other jurisdiction that Noteholders may be familiar with, including in respect of priority of creditors, the ability to obtain post-petition interest and the ability to influence proceedings and the duration thereof, and this may limit Noteholders’ ability to receive payments due on the Class A4 Notes. In addition, in actions brought in countries outside of England, courts may choose to apply their own law rather than the law of England, which governs the Trust Deed and the Class A4 Notes. The application of foreign law may limit Noteholders’ ability to enforce Noteholders’ rights under the Class A4 Notes.

#### **RISKS OF HIGH LEVERAGE**

***AdR’s leverage may have significant adverse financial and economic effects.***

As at 30 September 2015, AdR had Euro 720.2 million of net indebtedness; as at 31 December 2014 such net indebtedness totalled Euro 625.4 million. AdR’s leverage could increase AdR’s vulnerability to a downturn in its business or economic and industry conditions and have significant adverse consequences, including but not limited to:

- limiting AdR’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 dedication of a substantial portion of AdR’s cash flow from operations to the payment of principal of, and interest on, AdR’s indebtedness, which would make such cash flow unavailable to fund AdR’s operations, capital expenditure, investment plans, business opportunities and other corporate requirements; and
- limiting AdR’s flexibility in planning for, or reacting to, changes in AdR’s business, the competitive environment and the industry.

Any of these or other consequences or events could have a material adverse effect on AdR’s ability to satisfy its debt obligations, including its obligations under the Class A4 Notes.

AdR will need to incur additional indebtedness in the future in order, among other things, to enable it to refinance Class A4 Notes and other debt and to finance future working capital, capital expenditure, investment plans, strategic acquisitions, business opportunities and other corporate requirements. Any such indebtedness could mature prior to the Class A4 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. An inability to raise future finance in order to, amongst other things, finance future capital

expenditure and refinance its indebtedness (including the Class A4 Notes) could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is subject to exposure on its hedging arrangements.***

A portion of the Group's indebtedness (namely, the Class A4 Notes) is denominated in a currency other than Euro and such exposure is hedged through cross-currency swaps. The Group has, to date, hedged a significant portion of its exchange rate exposure under such indebtedness. In the nine months ended 30 September 2015, the Group's overall exchange rate exposure amounted to 33% of the Group's indebtedness. Furthermore, on 15 June 2015 AdR signed two "forward starting" interest rate swap contracts with a total notional of Euro 250 million, effective starting from 20 June 2016, for a duration of 10 years, through which AdR intends to reduce the risk of misalignment between the return of invested capital and the cost of debt. Unfavourable movements in exchange rates may reduce AdR's ability to repay the Class A4 Notes and its other indebtedness and to finance operations and future business opportunities.

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

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

No assurances can be given that the businesses of AdR will generate sufficient cash flows from operations or that future debt and equity financing will be available in an amount sufficient to enable AdR to pay its debts as they become due, including the Class A4 Notes, or to fund other liquidity needs.

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

- reduce or delay participation in certain non-Concession related business activities, including complementary activities;
- sell certain non-core business assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of its debt, including the Class A4 Notes, on or before maturity.

No assurances can be given that AdR would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

***Any future credit rating downgrade may impair AdR's ability to obtain financing and may significantly increase its cost of funding.***

Credit ratings affect the cost and other terms upon which AdR is able to obtain financing (or refinancing). Rating agencies regularly evaluate AdR and their ratings of AdR's default rate and existing capital markets debt are based on a number of factors, some of which are outside of AdR's control. For example, any downgrade of the Republic of Italy's long-term credit rating may also affect AdR's credit rating. AdR's long term debt is currently rated "BBB+" (with a stable outlook) by S&P, "Baa2" (with a positive outlook) by Moody's and "BBB+" (with a stable 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.

There can be no assurance that credit ratings downgrades of AdR will not occur. The occurrence of any of these events could have a material adverse effect on AdR's business, financial condition and results of operations and/or could have an adverse effect on the market price of the Class A4 Notes.

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

In its commercial and financial activities, the Group is exposed to the risk that its counterparties might not be able to discharge all or part of their obligations, whether these involve payment for goods already delivered and services rendered or payment of the expected cash flows under financial derivatives contracts. In order to minimise such risks, the Group assesses in advance the creditworthiness of each counterparty with which it may establish its largest exposures on the basis of information supplied by independent providers and internal rating models. In connection with non-regulated and commercial activities, this process provides for the attribution of an exposure limit for each relevant counterparty, the request for appropriate guarantees for exposures and periodic monitoring of such exposure limits, while for regulated activities such appropriate guarantees may not be always required. For information on AdR activities, see “*Business Description of the Group — Overview*”. Notwithstanding such risk management policies, default by one or more significant counterparties of the Group could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect AdR’s ability to fulfil its obligations under the Class A4 Notes.

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE CLASS A4 NOTES**

#### **Risks related to the Class A4 Notes generally**

##### ***Fixed Rate Notes***

Subsequent changes in market interest rates may adversely affect the value of the Class A4 Notes.

##### ***The Class A4 Notes may not be a suitable investment for all Noteholders.***

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Class A4 Notes, the merits and risks of investing in the Class A4 Notes and the information contained or incorporated by reference in this Admission Document or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Class A4 Notes and the impact the Class A4 Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Class A4 Notes, including where the currency for principal or interest payments is different from the potential Noteholder’s currency;
- understand thoroughly the terms of the Class A4 Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential Noteholder should not invest in Class A4 Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Class A4 Notes will perform under changing conditions, the resulting effects on the value of the Class A4 Notes and the impact this investment will have on the potential Noteholder’s overall investment portfolio.

##### ***AdR may amend the economic terms and conditions of the Class A4 Notes without the prior consent of all holders of such Class A4 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 Class A4 Notes, which may include, without limitation, lowering the ranking of the Class A4 Notes, reducing the amount of principal and interest payable

on the Class A4 Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Class A4 Notes, and changing the amendment provisions. These and other changes may adversely impact Noteholders' rights and may adversely impact the market value of the Class A4 Notes.

***Change of law.***

The Class A4 Notes and the ancillary contractual documentation are governed by English law in effect as at the date of this Admission Document, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Class A4 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 Admission Document.

***Because the Class A4 Notes are held by Euroclear and Clearstream, Luxembourg, Noteholders will have to rely on their procedures for transfer, payment and communication with AdR.***

The Class A4 Notes are represented by one or more Global Notes, which are deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, Noteholders will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Class A4 Notes are represented by one or more Global Notes, Noteholders will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Class A4 Notes are represented by one or more Global Class Notes, AdR will discharge its payment obligations under the Class A4 Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. AdR 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 Class A4 Notes. AdR 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 Class A4 Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

***Denominations.***

It is possible that Class A4 Notes may be traded in amounts that are not integral multiples of the applicable 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 Class A4 Notes be printed) and would need to purchase a principal amount of Class A4 Notes such that its holding amounts to a Specified Denomination.

If Definitive Class A4 Notes are issued, Noteholders should be aware that Definitive Class A4 Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

**Risks related to the market generally**

*If an active trading market does not develop for the Class A4 Notes, the Class A4 Notes may not be able to be resold.*

The Class A4 Notes may have no established trading market, 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 Class A4 Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Class A4 Notes.

*Fluctuations in exchange rates may adversely affect the value of Class A4 Notes.*

AdR will pay principal and interest on the Class A4 Notes in GBP (the “**Specified Currency**”). 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. AdR 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 Class A4 Notes, (ii) the Noteholder’s Currency equivalent value of the principal payable on the Class A4 Notes and (iii) the Noteholder’s Currency equivalent market value of the Class A4 Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

*Credit ratings may not reflect all risks.*

One or more independent credit rating agencies may assign credit ratings to the Class A4 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 Class A4 Notes. The Class A4 may be rated or unrated. Where the Class A4 Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to AdR from time to time. In addition, real or anticipated changes in the AdR’s credit ratings or the credit ratings of the Class A4 Notes will generally affect the market value of the Class A4 Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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 Noteholder should consult its legal advisers to determine whether and to what extent (i) Class A4 Notes are legal investments for it, (ii) Class A4 Notes can be used as

collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Class A4 Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Class A4 Notes under any applicable risk based capital or similar rules.

## **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 infrastructures 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 30 September 2015 is 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.

As at the date of this Admission Document, Atlantia S.p.A. holds 95.92 % 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 dell’Aeroporto di Fiumicino, 320, 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 9 April 2013, and will hold office until the shareholders’ meeting called for the purpose of approving AdR’s financial statements for the year ending 31 December 2015. 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 nine members. See “*Corporate Governance — Management — 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 9 April 2013. 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 2015. The current Board of Statutory Auditors is composed of five members and two alternate auditors. See “*Corporate Governance — Management — 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 annual report and annual audited consolidated and non-consolidated financial statements and the latest unaudited semi-annual and interim consolidated financial statements of AdR will be made available at the specified offices of the Paying Agents for so long as any of the Class A4 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 “Giovann 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 approximately 44 million passengers in the year ended 31 December 2014. 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 the seventh largest airport in Europe, in terms of traffic volumes<sup>1</sup>, 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 2014, the airport attracted approximately 39 million passengers. In 2014, approximately 100 airlines flew from Fiumicino to over 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. 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 2013 and 2014 amounted to Euro 716.0 million and Euro 820.8 million, respectively, and the net profits for the same periods amounted to Euro 89.9 million and Euro 136.3 million respectively. For the nine months ended 30 September 2014 and 2015, the total revenues of the Group amounted to Euro 607.9 million and Euro 714.4 million, respectively, and the net profits for the same periods amounted to Euro 131.2 million and Euro 145.7 million, respectively.

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.

### 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.

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<sup>(1)</sup> Source: Airports Council International Europe (*ACI Europe*)

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 Italtroli 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 Italtroli 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 New 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: (i) AdR 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) AdR is required to implement an investment plan (providing for investments of approximately Euro 3 billion by 2021 and Euro

12 billion by 2044<sup>2)</sup>) in order to develop the Airports' infrastructure and increase the capacity and quality of the Rome Airport System.

For risks relating to the New Regulatory Framework, see “*Risk Factors — Risks Relating to the Implementation of the Investment Plan*”. For a detailed description of the New 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 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*”.

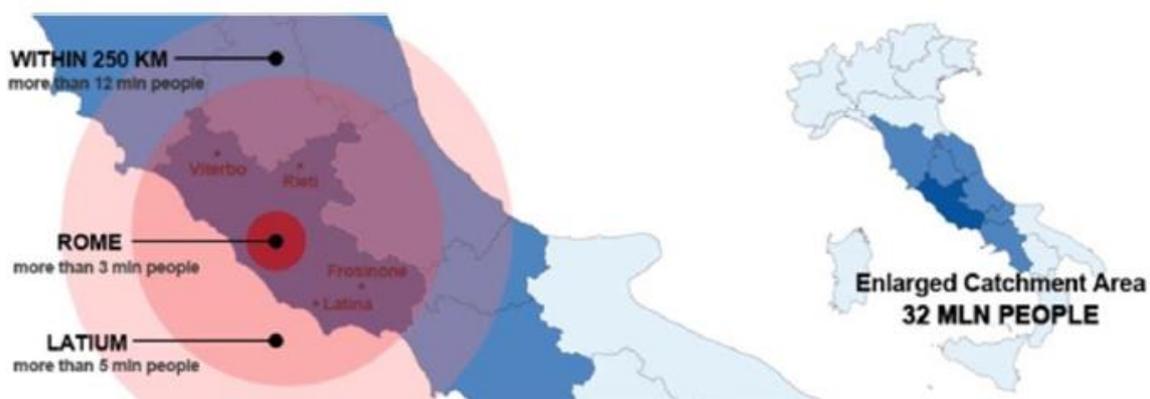
### ***AdR enters into the Atlantia Group***

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 AdR) into Atlantia S.p.A. become effective, Atlantia S.p.A. became the controlling shareholder of AdR, holding 95.92% of the share capital of AdR.

## **Key Strengths**

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

The Airports are the only commercial airports serving Rome and the Lazio Region. Rome is the largest city in Italy with a population of approximately 3 million people and one of the leading international tourist destinations, attracting more than 10.5 million visitors<sup>3)</sup> in 2014 (an increase of 6% from 2013).



Rome is not only a tourist destination, but, as the political center of Italy, it is home to the Italian government, foreign embassies and the headquarters of many leading multinational corporations with business activities in Italy. Additionally, 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 250 km around Rome. In addition, in the absence of any other major local airport hub for long haul flights, Fiumicino Airport serves an even greater catchment area that extends to Central-Southern Italy, the Tyrrhenian islands and beyond, with a population of approximately 32 million people. In addition, thanks to an excellent road and rail network, both Fiumicino and Ciampino are easy to access from the main cities in Central Italy.

Compared to other European hubs, the Rome Airport System benefits from a strategic advantage due to its geographic position which is located in the centre of the Mediterranean basin; oriented to the fast growing markets of the Middle East, the Far East and Africa; and efficiently positioned to serve transit traffic to and

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

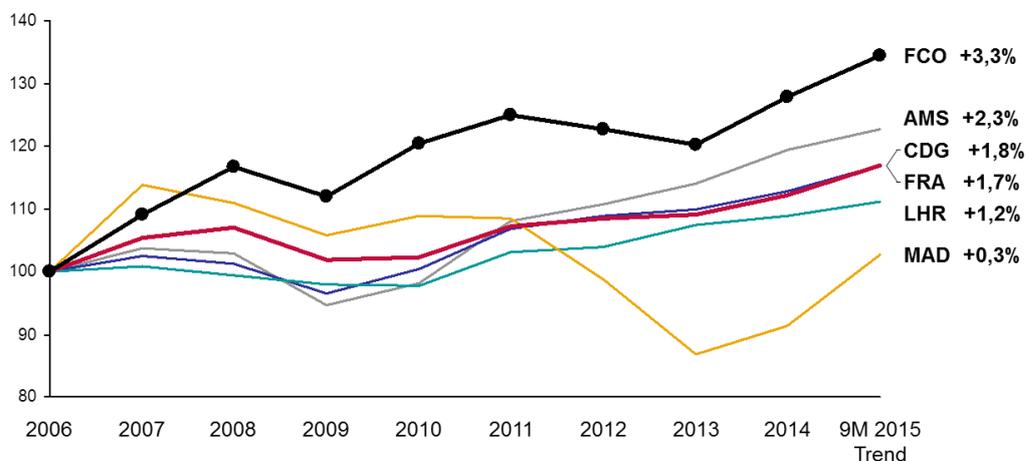
<sup>(3)</sup> Source: Bilateral Tourism Board of the Lazio Region, Annual Report 2014.

from the Americas. In 2014, 42% (compared to 46% in 2013) of the traffic at Fiumicino related to Alitalia, which is part of Skyteam, a 20 member airlines alliance.

Finally, Fiumicino enjoys the potential for a major physical expansion to the north of the current airport, which could constitute a significant competitive advantage in the medium-long term as compared to other European hubs which, in some cases, suffer from capacity limitations caused by constraints on further expansion of their infrastructure.

### Traffic resilience

The Rome Airport System proved to be relatively resilient to global traffic shocks, including major economic downturns. As shown below, in the 2006-2015 period, Fiumicino outperformed its five main competitors in terms of passenger traffic (namely, London Heathrow, Paris Charles De Gaulle, Amsterdam Schiphol, Frankfurt airport and Madrid Barajas).

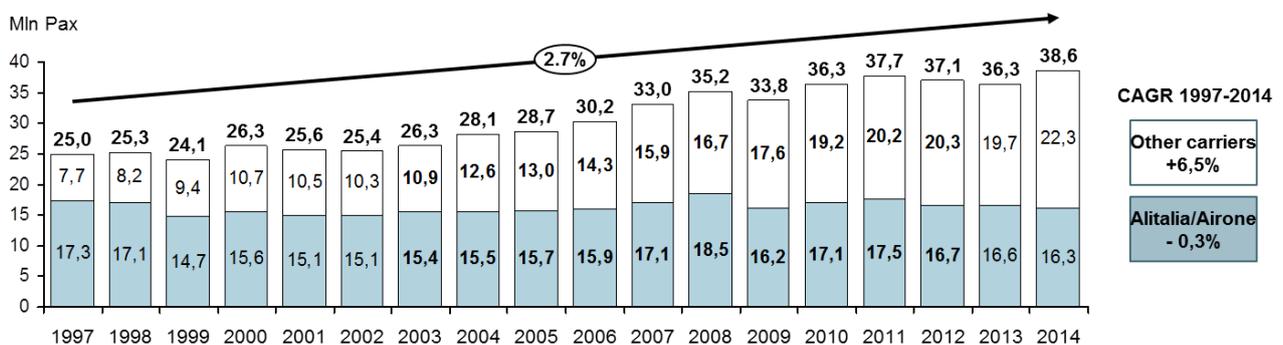


### Passenger traffic – Fiumicino vs. Top 5 EU airports (2006=base 100 and CAGR)

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 18 years Fiumicino’s growth was entirely generated by carriers other than Alitalia, which recorded substantially flat volumes over the period, as shown below.

### Fiumicino Passenger traffic – Alitalia/AirOne<sup>4</sup> vs. Other Carriers

Source: AdR internal data and analysis



<sup>4</sup>) AirOne is the Alitalia’s smart carrier subsidiary.

### ***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), British Airways, Air France, Lufthansa, Ryanair, EasyJet and Vueling Airlines. 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.

The Rome Airport System serves over 200 routes, with a significant market diversification: based on traffic volumes for the year ended 31 December 2014, domestic, European and extra-European destinations accounted for 29%, 49% and 23% of the total, respectively, while for the nine months ended 30 September 2015, domestic, European and extra-European destinations accounted for 27%, 51% and 22%, 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 2014), recording an essentially stable performance compared to 2013 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 Italia (a company of the Lagardère 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 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 business (such as the car parking and the advertising businesses) is still primarily linked to the increase in traffic volume and the implementation 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.

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

The New Concession and Economic Regulation Agreement included in the New 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 New 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 unfavorable exogenous 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 New Regulatory Framework, see “*Regulatory Framework*” and for risks relating to the New Regulatory Framework, see “*Risk Factors — Risks Relating to the Implementation of the Investment Plan*”.

### **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.

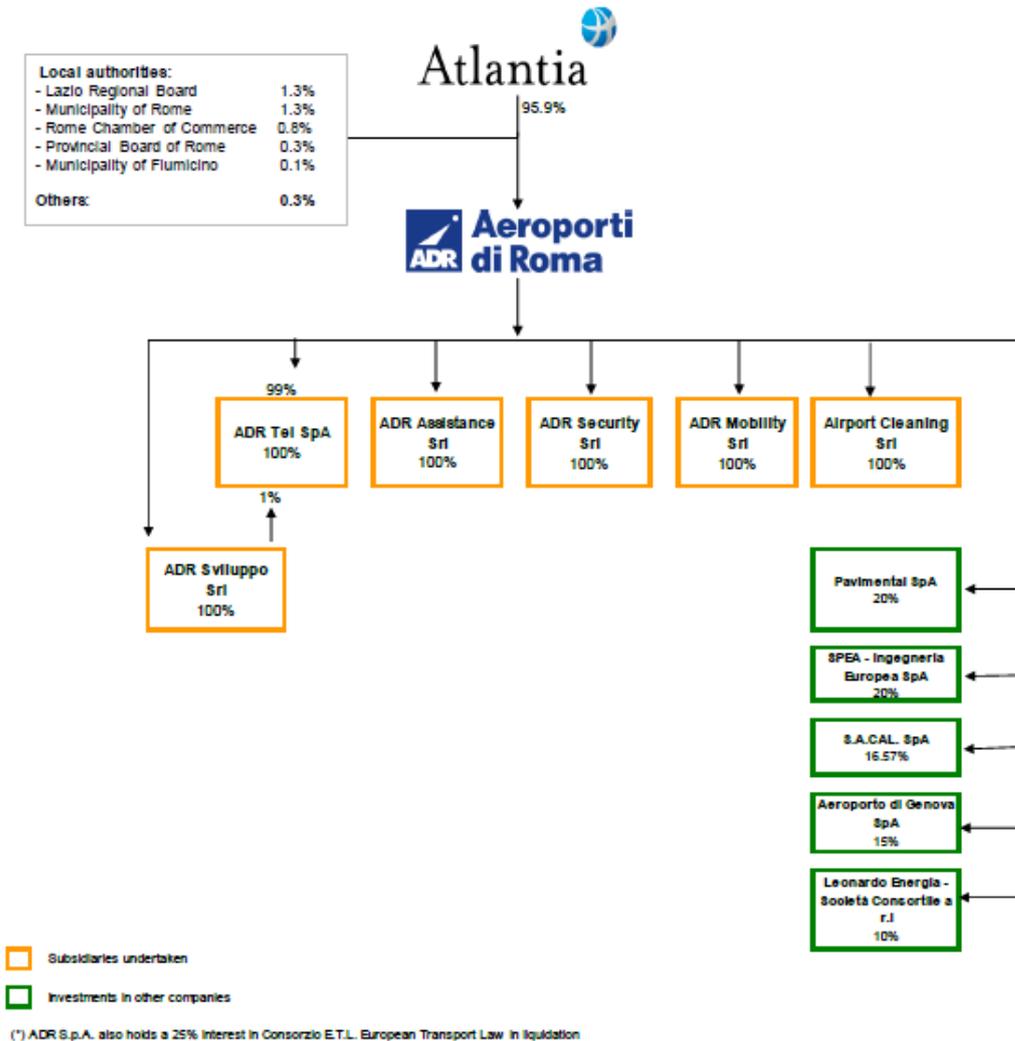
To ensure increasing passenger traffic volumes, AdR will continue to support the success of the major airlines operating at the Airports, whilst at the same time seek to attract new airlines.

### **The AdR Group**

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

The following diagram sets forth the structure of the AdR Group as at the date of this Admission Document.

**THE GROUP'S STRUCTURE**  
(as of September 30, 2015)



***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 processes 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 LS Travel Retail Italia. The process for the disposal of AdR Mobility (as defined below), which operated the Car Park Business, was suspended, as AdR was not willing to accept any of the offers received. 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 reorganizational 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 (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 Italia (part of the Lagardère 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. In addition, approximately 90 retailers operate more than 140 shops in the Airports, offering various categories of goods targeted at different kinds of passengers according to the different areas of the Airports, and approximately 10 retailers operate in the food and beverage sector in the Airports through more than 45 restaurants and bars.

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 has been 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 with AdR in 2003. Since 1 January 2014 AdR Advertising has ceased to be operational and the advertising business is conducted on a sub-concession regime. AdR Advertising has been merged by way of incorporation into AdR with effect from 23 April 2015, whilst accounting effects apply from 1<sup>st</sup> January 2015.

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. Such reorganisation has involved:

- AdR Engineering S.p.A. ("**AdR Engineering**"), a joint stock company (*società per azioni*) incorporated under Italian law 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.

Such corporate reorganisation process has commenced with the acquisition by Atlantia from ASPI of 46% and 59.4% of the share capital of, respectively, SPEA and Pavimental. The second phase has been characterised by a series of intra-group transactions among Atlantia, ASPI and AdR. In particular, as far as AdR is concerned:

- AdR has purchased from ASPI a 27% equity interest of the share capital of SPEA (whilst ASPI has retained the remaining 27% equity interest);
- AdR has purchased from ASPI a 20% equity interest in the share capital of Pavimental (whilst ASPI has retained the remaining 20% equity interest); and
- AdR has sold 100% of the share capital of AdR Engineering to Atlantia.

The third (and last) phase of this intra-group corporate reorganisation has been the merger by way of incorporation of AdR Engineering into SPEA. Upon completion of this last phase, each of AdR and ASPI holds a 20% equity interest in the share capital of each of the new SPEA (now, SPEA Engineering S.p.A., “**SPEA Engineering**”) and Pavimental. Atlantia is the new reference shareholder of the new SPEA and Pavimental with a 60% participation in both companies.

## **AdR**

AdR is a joint stock company (*società per azioni*) incorporated under Italian law. Its registered office is at Via dell’Aeroporto di Fiumicino, 320, 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 “AdR” for information on AdR’s corporate objects and “AdR” and “Corporate Governance — Shareholders” for information on AdR’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 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 2014, AdR Tel had revenues of Euro 21 million, an increase of 83% as compared to 2013.

#### *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. AdR Assistance provides from July 2008 ground handling assistance to reduced mobility passengers departing from, in transit to or arriving at Fiumicino and Ciampino Airport, 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 2014, AdR Assistance had revenues of Euro 17.7 million, which increased by 7% as compared to 2013, mainly attributable to the increase in passenger traffic.

#### *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 2014, AdR Mobility had revenues of Euro 38.1 million, an increase of 2% as compared to 2013.

#### *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 the Fiumicino and Ciampino Airports (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 2014, AdR Security had revenues of Euro 44.3 million, an increase of 8% as compared to 2013.

#### *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. Up to 28 February 2015, Airport Cleaning has operated the Cleaning Services (as defined above) at the Ciampino Airport and at Terminal 1, Terminal 2 and other buildings of the Fiumicino Airport and, with effect from 1 March 2015, Airport Cleaning is responsible of the Cleaning Services also in the west area of the Fiumicino Airport.

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

AdR Sviluppo S.r.l. (“**AdR Sviluppo**”) is 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. As at the date hereof, AdR Sviluppo is not operational. As of 31 December 2014, shareholders’ equity was Euro 102,000.

### **AdR’s other minority equity interests**

AdR holds the following minority equity interests which had a total equity value of Euro 26.3 million as of 30 September 2015:

- a 20% equity interest in Pavimental;
- a 20% equity interest in SPEA Engineering;
- a 16.57% equity interest in S.A.CAL. S.p.A., a joint stock company (*società per azioni*) in charge of the management of the Lamezia Terme airport;
- 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; 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”), which is controlled by AdR’s majority shareholder. 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 new 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.

### **Employees**

As of 31 December 2014, the Group had 2,733 employees, an increase of 17.8% compared to 31 December 2013. As of 30 September 2015, the Group had 3,451 employees, an increase of 26.3% compared to 31 December 2014. This increase is mainly attributable to: (i) the increase in seasonal operations and the related

use of fixed-term contracts; (ii) the contingency of the fire at Terminal 3 on 7 May 2015, which required the adoption of specific operating measures, with direct repercussions on the size of the workforce of the Group's operating companies (AdR Assistance, AdR Security and Airport Cleaning) and (iii) the extended range of the activities managed by Airport Cleaning which, starting from 1 March, 2015, included the cleaning activities of the West Lot of the airport.

### Business Activities and Revenue Generation

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

	Years ended 31 December				Nine months ended 30 September			
	2013		2014		2014		2015	
	<i>Euro in millions</i>	<i>% of Group revenues</i>	<i>Euro in millions</i>	<i>% of Group revenues</i>	<i>Euro in millions</i>	<i>% of Group revenue</i>	<i>Euro in millions</i>	<i>% of Group revenue</i>
Aeronautical business	457.8	63.9%	520.0	63.3%	397.1	65.3%	431.1	60.3%
Non-aeronautical business	206.6	28.9%	206.1	25.1%	156.1	25.7%	154.6	21.6%
Revenues from construction services	25.4	3.6%	70.9	8.6%	30.7	5.1%	94.5	13.2%
Other operating income	26.2	3.7%	23.8	2.9%	24.0	3.9%	34.4	4.8%
<b>Total</b>	<b>716.0</b>	<b>—</b>	<b>820.8</b>	<b>—</b>	<b>607.9</b>	<b>—</b>	<b>714.4</b>	<b>—</b>

#### Aeronautical activities

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

The table below shows the breakdown of revenues from AdR Group's aeronautical activities by sub-sector for the years ended 31 December 2013 and 2014, and for the nine months ended 30 September 2014 and 2015.

	Year ended 31 December		Nine months ended 30 September	
	2013	2014	2014	2015
	<i>Euro in millions</i>	<i>Euro in millions</i>	<i>Euro in millions</i>	<i>Euro in millions</i>
Airport charges	338.2	398.3	304.2	335.6
Centralised infrastructures	15.8	13.2	9.9	9.8
Security services	73.1	78.1	59.8	64.6
Other aeronautical activities	30.6	30.4	23.2	21.1
<b>Total aeronautical revenues</b>	<b>457.8</b>	<b>520.0</b>	<b>397.1</b>	<b>431.1</b>

#### Airport charges

Revenues related to airport charges consist of:

- landing and take-off fees and parking charges:
  - For the year ended 31 December 2014, such charges amounted to Euro 111.8 million, recording an increase of 15.2% as a consequence of the higher number of movements (up 3.2%) and aircraft tonnage (up 3.8%) on the one hand and the effect of the application of the new tariff regime for the entire year (which in 2013 applied only from 9 March), in addition to the increase in the fee from 1 March 2014, in accordance with the New Regulatory Framework. Applying the New Regulatory Framework from 9 March 2013 also included in landing and take-off fees

the relevant costs previously applied to the use of common assets, catering, fuelling, supply systems in remote aprons and safety. On 1 January 2014 the new tables of landing and take-off fees were also approved, unified for EU flights and non-EU flights attached to the New Regulatory Framework between AdR and ENAC. The new fees were defined by ENAC according to the principle of economic neutrality for the operator;

- For the nine months ended 30 September 2015, these charges amounted to Euro 94.0 million, with a 10.6% increase as compared to 2014 as a consequence of the higher number of movements (up 2.2%) and the greater aircraft tonnage (up 3.6%), in addition to being positively influenced by the increase in prices as of 1 March 2015, in accordance with the New Regulatory Framework;
- *passenger boarding charges:*
  - For the year ended 31 December 2014, these charges amounted to Euro 283.7 million, a 19% increase compared to 2013. This result is related to the increase in passenger traffic (up 6.3%) as well as to the positive effects deriving from the effects, for the entire year 2014, of the adjustment of the fees that took place with the application of the New Regulatory Framework, which also included in the passenger boarding fees some fees regarding centralized infrastructures for services attributable directly to passengers (such as: baggage handling systems, passenger check-in computerized systems, public announcement and information) and the subsequent adjustment of the unit fees for the year 2014;
  - For the nine months ended 30 September 2015, these charges amounted to Euro 239.7 million, an increase of 10.4% compared to the first nine months of 2014. This result is a consequence of the increase in passenger traffic (up 6.9%) as well as of the adjustment of the prices as of 1 March 2015 in accordance with the New Regulatory Framework;
- *cargo charges:*
  - For the year ended 31 December 2014, such fees amounted to Euro 2.8 million, a 2% decrease as compared to 2013, as a consequence of the reduction in cargo volumes compared to the previous year (down 0.8%). The same unit fees as in 2013 were charged in 2014;
  - In the nine months ended 30 September 2015, revenues amounted to Euro 1.9 million, a decrease of 8.5% as compared to 2014 essentially as a consequence of the increase in goods not subject to the payment of fees.

### *Centralised infrastructures*

Revenues related to centralised infrastructure derive, in particular, from:

- the baggage handling system (“**BHS**”). This system receives all departing baggage via the conveyor belts linked to check-in desks, and delivers it to one of the 42 baggage loading bays (according to destination) via a tunnel system on two levels which transports and sorts baggage automatically. The BHS can handle up to 12,000 items of baggage per hour, or 200 per minute. Destinations are identified using a bar code system;
- the passenger loading bridges connecting airport terminal gate to an aircraft, allowing passengers to board and disembark without going outside;
- the centralised electricity supply and pre-flight charging, an electricity supply of approximately 400Hz is provided for aircraft in service areas, so that aircraft can be charged pre-flight via fixed equipment;
- the centralised purification plant and treatment of on-board waste, a chemical purification of waste water discharged from aircraft must be carried out at AdR’s central purification plant;
- an automated freight container handling system;
- the fixed plant aircraft fuel storage and distribution comprising fuel storage systems, distribution networks and supply points at aircraft parking spaces at Fiumicino which is managed by SERAM S.p.A; and
- Centralised IT and public information and address systems. The airport information system used to input and relay items of general interest and passenger information.

For the year ended 31 December 2014, revenues deriving from centralised activities amounted to Euro 13.2 million, a 16.6% decrease compared to the previous year. The decrease recorded in 2014 is attributable to (a) ceasing of the revenues from the services included in the passenger boarding fees (such as baggage handling systems, passenger check-in computerized systems, public announcement and information), which are no longer separately charged since 9 March 2013, and (b) revenues from loading bridges, increasing 4.5% compared to the previous year, mainly as a consequence of the rise in uses.

For the nine months ended 30 September 2015, the management of centralised infrastructures recorded a turnover of Euro 9.8 million, a decrease of 0.7% compared to the same period of the previous year. The trend observed in the first nine months of 2015 is mainly due to the unavailability of the departure bridges of Pier D after the fire, which essentially offset the greater use of such infrastructure made until 6 May and the annual adjustment of the unit price set by the New Regulatory Framework in force since 1 March.

#### *Security services*

For the year ended 31 December 2014, revenues from security activities amounted to Euro 78.1 million, a 6.9% increase compared to the previous year. Such revenues are attributable to:

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

For the nine months ended 30 September 2015, security activities generated revenues of Euro 64.6 million, an increase of 8.1% compared to the previous year. This result was due to the increased unit fees provided under the New Regulatory Framework and to the traffic increase.

#### *Other aeronautical activities*

For the year ended 31 December 2014 and for the nine months ended 30 September 2015, revenues from other aeronautical activities amounted to Euro 30.4 million and Euro 21.1 million, respectively. Such revenues are attributable to:

- assistance to passengers with reduced mobility provided through AdR Assistance:
  - for the year ended 31 December 2014, such activity generated revenues of Euro 17.7 million, an increase of 7.1% compared to 2013. Such increase is mainly due to the increase in passenger traffic;
  - for the nine months ended 30 September 2015, revenues amounted to Euro 11.9 million, a 12.4% decrease compared to the same period of 2014, due to the lower unit fee charged from 1 March 2015 partly offset by the increase in passenger traffic;
- passengers check-in desk:
  - for the year ended 31 December 2014, these activities generated revenues Euro 11.4 million, a 2.5% decrease compared to the previous year, mainly as a consequence of the slight increase in the unit fees established by the New Regulatory Framework, which were more than counterbalanced by the optimized use of the providers of passenger check-in services;
  - for the nine months ended 30 September 2015, revenues from such activities, which amounted to Euro 8.6 million, were essentially in line with the same period of the previous year (down 0.3%), as the increased traffic and the annual adjustment of the unit prices applied from 1 March were offset by the unavailability of check-in desks at Terminal 3 as a consequence of the fire;
- other aeronautical revenues, such as those for 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 2014, revenues for these activities amounted to Euro 1.3 million and consisting, in 2014, only of the revenues for the use of the portage and left luggage services and self-service trolleys. These revenues decreased compared to 2013 (down 45.7%), consequent to the cancelled application, from 9 March 2013, of the fees to use goods for common use that, as mentioned above, were included in landing and take-off fees and that, before this date, were included in this segment;

- for the nine months ended 30 September 2015, such revenues, equal to Euro 0.6 million and consisting only of the revenues for the use of the portage and left luggage services. This income decreased compared to the same period of the previous year (down 42.8%) as the use of self-service trolleys (previously included in this revenue item) became free of charge in July 2014.

### ***Non-aeronautical activities***

Non-aeronautical activities of the AdR 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 table below shows a breakdown of revenues from AdR Group's non-aeronautical activities by sub-sector for the years ended 31 December 2013 and 2014, and for the nine months ended 30 September 2014 and 2015.

	<b>Year ended 31 December</b>		<b>Nine months ended 30 September</b>	
	<b>2013</b> <i>Euro in millions</i>	<b>2014</b> <i>Euro in millions</i>	<b>2014</b> <i>Euro in millions</i>	<b>2015</b> <i>Euro in millions</i>
Real estate activities	56.8	52.6	38.9	37.4
Sub-concession of retail outlets	95.2	103.4	79.7	78.0
Car parks	27.5	28.0	21.4	21.3
Advertising	12.4	9.8	7.1	7.3
Other non-aeronautical activities	14.7	12.2	9.1	10.6
<b>Total non-aeronautical revenues</b>	<b>206.6</b>	<b>206.1</b>	<b>156.1</b>	<b>154.6</b>
Construction services	25.4	70.9	30.7	94.5
Other operating income.....	26.2	23.8	24.0	34.4
<b>Total non-aeronautical and other revenues</b>	<b>258.2</b>	<b>300.8</b>	<b>210.8</b>	<b>283.4</b>

As at 31 December 2014 and as at 30 September 2015, non-aeronautical revenues represented 25.1% and 21.6%, respectively, of AdR Group's total revenues.

Non-aeronautical revenues decreased by 0.3% from Euro 206.6 million in 2013 to Euro 206.1 million in 2014 and decreased by 1% from Euro 156.1 million as at 30 September 2014 to Euro 154.6 million in the same period of 2015.

### ***Retail activities***

For the year ended 31 December 2014, revenues arising from sub-concession of retail outlets amounted to Euro 103.4 million, a 8.6% increase compared to 2013. In the first nine months of 2015 such revenues amounted to Euro 78 million, a 2.1% decrease compared to the same period in 2014.

In 2014 commercial activities benefited from a general growth in traffic, though with a mix characterized by an increase in the Schengen and Domestic components in particular, typically featuring a spending per passenger that is lower on average than that of the Extra-Schengen component and the growth of the low cost / low fare carriers, whose passengers usually feature a lower propensity to purchase. The persisting negative macro-economic scenario and the performance of some currencies, which are particularly unfavourable for some segments of high-spending passengers, have had a negative impact on the average spending per passenger. The full operation of the "Core Categories" activity positively contributed to this performance, though to the detriment of some Specialist Retail categories, as well as the performance of the Food&Beverage activity.

Revenues arising from the retail outlets in 2014 are mainly attributable to:

- *Core Categories*: the segment generated revenues from the sub-concession of the asset to LS Travel Retail Roma S.r.l., a company of the Lagardère Services group, for 37.8 million euros, up 21.4% compared to the previous year. The positive effects of the full implementation of the activities and the renovation and extension work carried out during 2013 are evident for this line of business;
- *Specialist Retail*: revenues of 29.7 million euros were recorded, decreasing by 6.1% compared to the previous year due to the full operation of the Core Categories, the closing of some businesses to expand the security check points at the Transit Room of Terminal 3 at Fiumicino and the reclassification of some activities from Specialist Retail to Food & Beverage; some categories recorded a drop (luxury and clothing) as a consequence of the different purchase propensity and the performance of the currencies for some categories of high spending passengers experienced also in other European airports;
- *Food & Beverage*: revenues in 2014 equalled 26.9 million euros, growing by 13.7% as a consequence of both the passenger traffic trends (for this segment, unlike the Specialist Retail, the different composition of the mix has a limited impact on the trend of the spending per passenger) and the full operation of the new formats; and
- *Other commercial activities*: passenger service activities recorded revenues of 9.0 million euros, growing by 2.5% compared to 2013.

#### *Real estate activities*

The revenues from real estate management, 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, equalled 52.6 million euros in 2014, decreasing by 7.4% compared to the previous year. In the first nine months of 2015 such revenues amounted to Euro 37.4 million, a 3.8% decrease compared to the same period in 2014.

Revenues deriving from real estate activities in 2014 are attributable to:

- fees and utilities for retail and other sub-concessions: the turnover equalled 44.6 million euros, down by about 3.3 million euros (down 6.8%). This trend is essentially attributable to the combined effect of a series of management-related events that, on the one hand, reflect the main positive changes deriving from the adjustment of the sub-concession fees to the inflation trends and the effect on the entire year of the sub-concessions of the Emirates VIP Lounge and Painting Hangar, and on the other, are penalized by the lower revenues due to some releases including the former Air One hangar at Ciampino, the Alitalia VIP lounge located at Terminal 3 “city side” and the different arrangement of the sub-concession relationships with Alitalia. Also highlighted is the effect of the lower charges to recover utilities and services regarding the “hangar” canteen services previously used by Sodex and other services activities such as vehicle maintenance, etc;
- other fees charged at Fiumicino and Ciampino, calculated on the volumes of activities managed (hotels, car hire, car wash, fuel stations, etc.): the revenues amounted to 8.0 million euros, down by 10.6% compared to the previous year. This decrease is substantially attributable to the fact that the specific items “fuel surcharge” and “catering surcharge” are no longer debited separately from 9 March 2013, owing to the new fees under the New Regulatory Framework coming into force. The costs related to these activities have been channelled to the new measurement of the landing and take-off fees.

#### *Car parks*

For the year ended 31 December 2014, revenues were equal to Euro 28 million, a 2% increase compared to 2013. In the first nine months of 2015 such revenues amounted to Euro 21.3 million, a 0.6% decrease compared to the same period of the previous year. Such revenues, in 2014, were attributable to:

- *passenger car parking*: revenues of Euro 23.3 million (up 2.2%) positively affected by the growing traffic and the reorganization of the road system at Fiumicino Airport; and

- *airport operator car parking*: revenues of Euro 4.7 million, up 1% with respect to the previous year.

As at the date of this Admission Document, the Car Park Business is managed by AdR Mobility (see “*Business Description of the Group — The AdR Group — Business Portfolio Model*”, above).

#### *Advertising activities*

Since 1 January 2014, the management of advertising space has switched from a model managed via the subsidiary AdR Advertising (in joint venture with the specialized operator IGP Decaux S.p.A.) to a model based on the sub-concession of the activities (see “*Business Description of the Group – Business Portfolio Model — AdR — AdR’s subsidiaries*”, above).

In 2014, the advertising business generated revenues for AdR, in the form of royalties on the turnover of the sub-concessionaire, of Euro 9.8 million. Due to the different management model of the activity, compared to 2013, it is not possible to exactly compare the activities relating to the advertising business.

#### *Other non-aeronautical activities*

Revenues from other activities amounted to Euro 12.2 million for the year ended 31 December 2014, down 16.8%; the most significant items showed the following trends:

- revenues for cleaning fees and biological wastewater treatment of Euro 3.3 million (down 3.5%);
- revenues for other sales (fuel, consumable materials, etc.), equal to Euro 3.0 million (up 1.2%);
- revenues for information systems of Euro 1.8 million (down 12%).

The tables below show key performance indicator data of non-aeronautical activities for Fiumicino and Ciampino, respectively, for the years ended 31 December 2013 and 2014.

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

	<b>31 December 2013</b>	<b>31 December 2014</b>	<b>Change%</b>
Shop average spending (€/departing passenger)	13.14	12.66	(3.7%)
Retail area per million of passengers (m <sup>2</sup> )	733	710	(3.1%)
Food and beverage average spending (€/departing passenger)	4.58	4.72	3.1%
Food and beverage outlet per million of passengers (m <sup>2</sup> )	623	635	1.9%
Passenger car parking average spending (€/departing passenger)	1.58	1.49	(5.7%)

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

	<b>31 December 2013</b>	<b>31 December 2014</b>	<b>Change%</b>
Shop average spending (€/departing passenger)	3.71	4.20	13.2%
Retail area per million of passengers (m <sup>2</sup> )	333	327	(1.8%)
Food and beverage average spending (€/departing passenger)	2.80	2.95	5.4%
Food and beverage outlet per million of passengers (m <sup>2</sup> )	202	194	(4.0%)
Passenger car parking average spending (€/departing passenger)	0.96	0.82	(14.6%)

The tables below show key data of non-aeronautical activities for Fiumicino and Ciampino, respectively, for the nine-month period ended 30 September 2014 and 2015.

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

	30 September 2014	30 September 2015	Change%
Shop average spending (€/departing passenger)	12.46	11.97	-3.9%
Retail area per million of passengers (m <sup>2</sup> )	948	816	-13.9%
Food and beverage average spending (€/departing passenger)	4.63	4.68	1.1%
Food and beverage outlet per million of passengers (m <sup>2</sup> )	798	723	-9.4%
Passenger car parking service spending (€/departing passenger)	1.50	1.43	-4.7%

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

	30 September 2014	30 September 2015	Change%
Shop average spending (€/departing passenger)	4.12	4.64	12.6%
Retail area per million of passengers (m <sup>2</sup> )	433	375	13.4%
Food and beverage average spending (€/departing passenger)	2.96	3.09	4.4%
Food and beverage outlet per million of passengers (m <sup>2</sup> )	361	321	-11.1%
Passenger car parking average spending (€/departing passenger)	0.86	0.71	-17.4%

### Traffic

#### The Rome Airport System

##### Development of passenger traffic

For the year ended 31 December 2014, approximately 43.6 million passengers used the Rome Airport System, a 6.4% increase compared to the previous year. In terms of capacity, an increase has been registered in movements (*i.e.*, numbers of takeoffs and landings, up 3.2%), aircraft tonnage (*i.e.*, maximum weight at which is allowed to takeoff, up 3.8%) and seats (*i.e.*, the total number of seats available in the aircraft, up 4.7%).

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

#### Rome Airport System

	Movements	Passengers	Cargo (tons)
2004	353,921	30,675,613	153,734
2005	367,075	32,928,219	152,969
2006	379,542	35,134,383	147,409
2007	400,481	38,349,336	153,618
2008	406,005	40,018,165	157,062
2009	382,082	38,622,838	143,966
2010	383,309	40,909,255	171,681
2011	383,210	42,480,476	161,678
2012	364,516	41,562,107	152,791
2013	351,099	41,020,659	151,517
2014	362,172	43,648,394	150,297
2015 (as of 30 September)	281,953	35,629,194	113,303

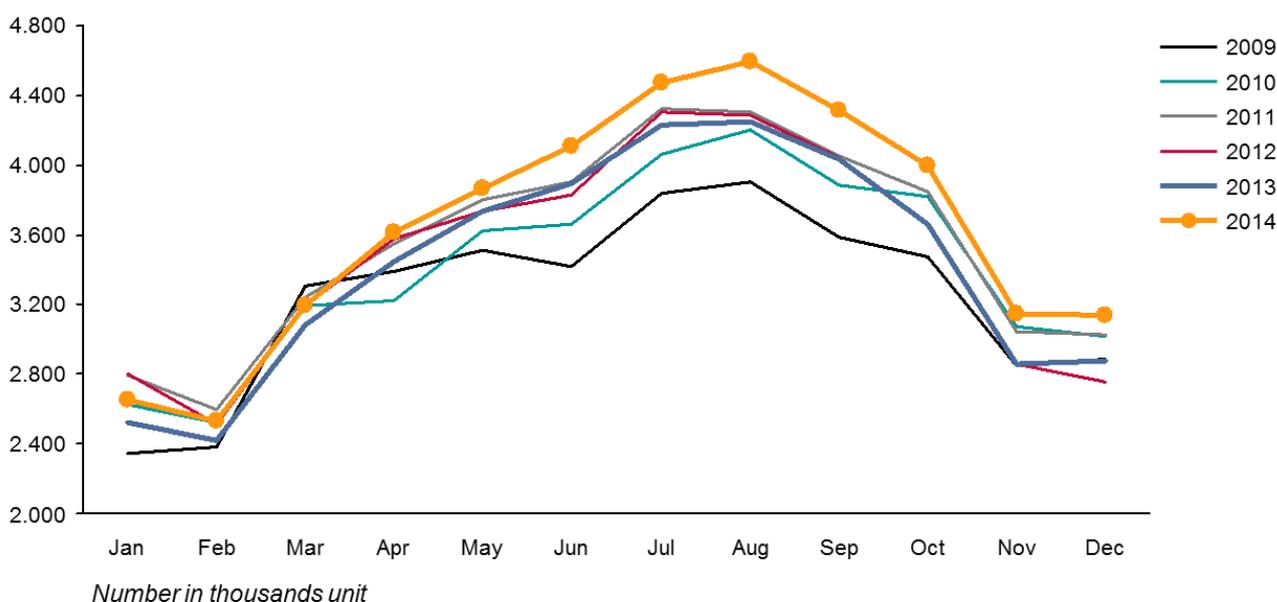
Source: AdR internal data and analysis

During the first nine months of 2015, more than 35 million passengers used the Rome Airport System, with a 6.8% rise compared to same period of the previous year. A similar trend was recorded also with reference to the capacity offered, which grew by 2.2% for movements, 3.6% for aircraft tonnage and 3.7% for seats. These increases were also accompanied by an improvement (up 2.3 percentage points) of the load factor, which reached 77.8%.

#### Seasonal trends

The graph and the table below show the monthly trend of passenger traffic for the Rome Airport System with respect to the last five years. The network was gradually and progressively expanded during 2014, in terms of both new connections and an increased service to and from the destinations already served: the newly generated flows offset the decrease in volumes attributable to some events which had a negative impact on the Rome Airport System (including, by way of example, the socio-political instability that continued to concern North Africa in particular).

Monthly trend of passenger traffic for the Rome Airport System (2009 – 2014)



#### Rome Airport System

	2009	2010	2011	2012	2013	2014	2015
January	2,345,060	2,627,096	2,793,331	2,803,041	2,524,133	2,654,418	2,859,717
February	2,381,302	2,523,708	2,593,448	2,512,223	2,420,319	2,527,771	2,778,829
March	3,307,078	3,192,461	3,242,417	3,196,398	3,080,752	3,195,949	3,503,191
April	3,391,609	3,226,126	3,545,064	3,576,046	3,450,322	3,618,734	3,896,308
May	3,510,132	3,622,606	3,800,841	3,737,667	3,735,384	3,864,600	4,063,500
June	3,416,311	3,661,100	3,900,204	3,833,770	3,892,002	4,111,735	4,300,047
July	3,841,156	4,063,662	4,319,650	4,309,455	4,232,449	4,473,875	4,797,822
August	3,900,960	4,198,687	4,305,109	4,290,233	4,245,913	4,593,510	4,884,052
September							4,545,728
	3,588,762	3,885,010	4,053,372	4,042,201	4,037,278	4,318,078	
October	3,475,462	3,823,430	3,850,797	3,651,291	3,665,032	4,001,421	-

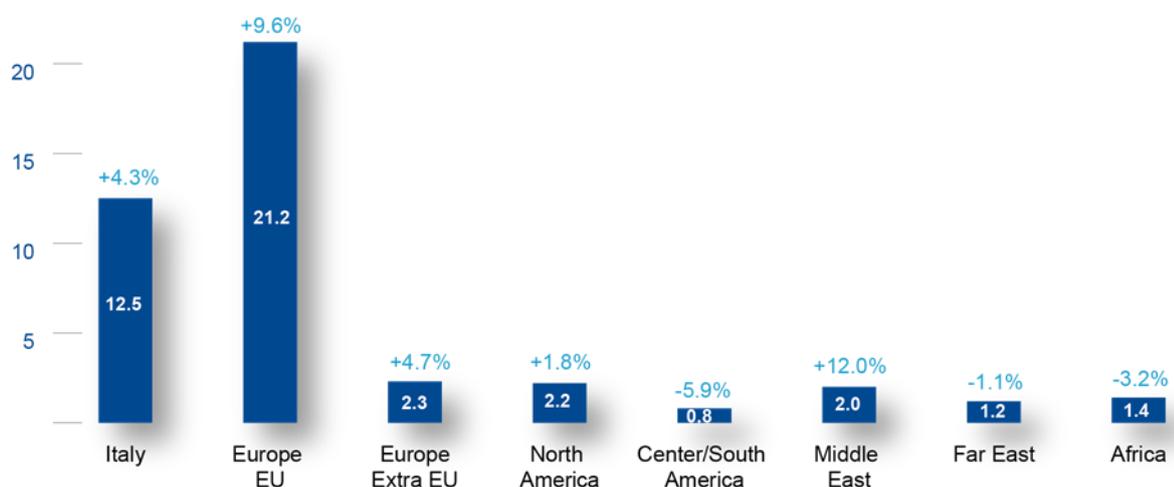
November	2,847,617	3,071,250	3,045,971	2,855,937	2,859,229	3,151,217	-
December	2,887,389	3,014,119	3,030,272	2,753,845	2,877,846	3,137,086	-
	<b>38,622,838</b>	<b>40,909,255</b>	<b>42,480,476</b>	<b>41,562,107</b>	<b>41,020,659</b>	<b>43,648,394</b>	<b>35,629,194</b>

*Geographic distribution for the year ended 31 December 2014*

In terms of distribution of passengers by geographic area, there was growth in the Middle East segment (up 12.0%), the Europe segment (EU up 9.6%; Non-EU up 4.7%) and North America (up 1.8%), against the drop reported in the remaining areas (Central/South America down 5.9%, Africa down 3.2% and the Far East down 1.1%). The traffic volume on the domestic segment reported an increase of 4.3%.

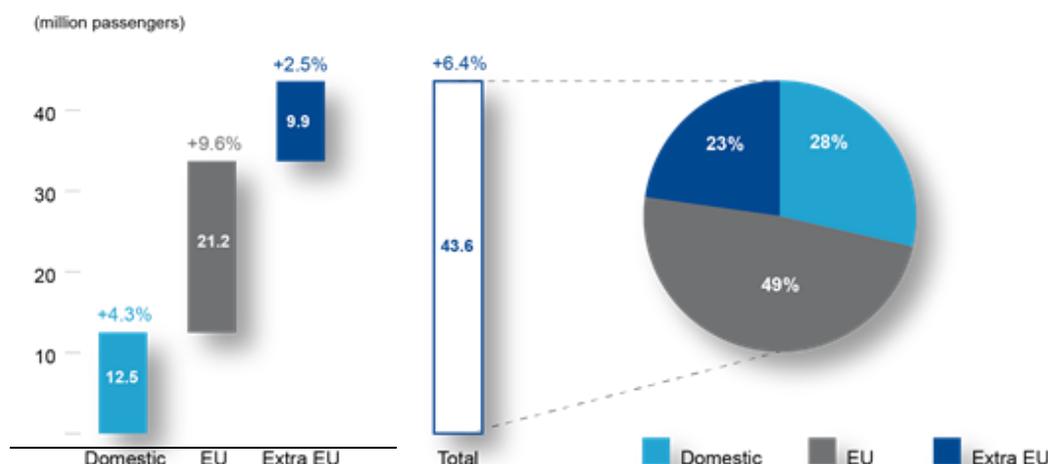
*Passenger traffic distribution of the Rome Airport System by Geographic Area*

(million passengers)  
(% change 2014 vs. 2013)



A summary breakdown by sector shows how the EU segment represents the main growth driver for the Rome Airport System (up 9.6% with a 49% share compared to total traffic), supported by the improvement also of the non-EU segment (up 2.5%) and the already previously mentioned increase in the Domestic area (up 4.3%)<sup>5</sup>.

*2014 traffic composition for the Rome Airport System (millions of passengers)*



<sup>(5)</sup> For a homogenous comparison, the performances were analyzed on a “like-for-like” basis, with Switzerland and Croatia within the EU tariff sphere throughout 2013 (the swap occurred in July 2013); otherwise the performance would have equalled up 12.2% for the EU segment and down 2.0% for the non-EU segment.

### *Geographic distribution for the nine months ended 30 September 2015*

In the first nine months of the year, in terms of distribution of passengers by geographic area, mention should be made of the growth in the Middle East (up 18.6%), EU Europe (up 10.4%), the Italian domestic market (down 4.4%), North America (up 3.7%), the Far East (up 2.8%) and the essential stability of Central/South America (up 0.1%), against the decrease recorded in Africa (down 16.8%) and non-EU Europe (down 1.3%).

The graph below shows that, in the nine months ended 30 September 2015, EU passenger traffic constituted the main growth driver for the Rome Airport System (up 10.4%, leading to a 51% share of total traffic).

### *Traffic composition in the first nine months of 2015 for the Rome Airport System*

#### **Traffic composition in the Rome airport system**

##### *Passengers' profile*

In the year ended 31 December 2014 and in the nine months ended 30 September 2015, 74% and 76%, respectively, of the Airports' traffic was origin and destination ("O&D") traffic, whilst 26% and 24%, respectively, 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 (as of 30 September)	27,361,966	8,267,228

*T&T: Transit + Transfer passengers*

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

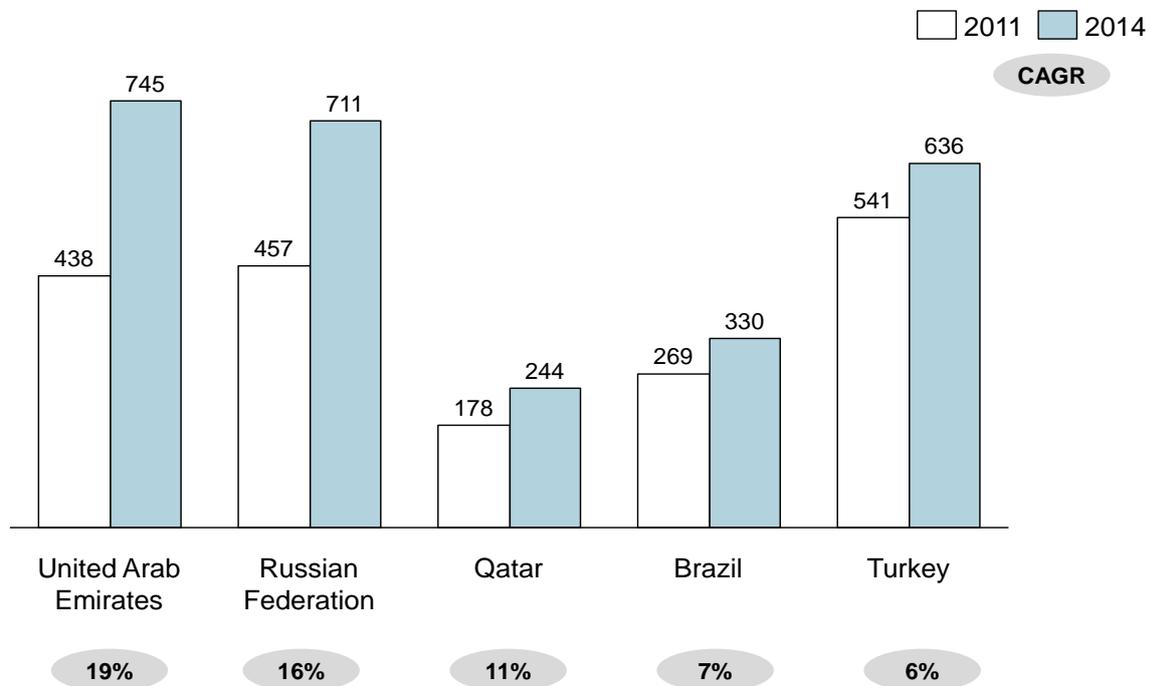
#### **Fiumicino Airport**

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

In the year ended 31 December 2014, passenger traffic at Fiumicino amounted to over 38 million passengers, an increase of 6.5% compared to 2013, achieving a new record in terms of annual and daily traffic, welcoming about 150,000 passengers in its peak day of 2014. In particular, international passenger traffic increased by 7.1%, mainly due to the performance of the passengers travelling to/from the European Union (up 9.9%) whilst passengers travelling domestic routes and those to/from non-EU destinations increased respectively by 5.1% and 2.4% compared to 2013. The average flight load factor for 2014 was 74.6% and registered an increase of 1.2% compared to the previous year. As at 31 December 2014, Alitalia – the main passenger carrier in Fiumicino – accounted for approximately 42% of passenger traffic in Fiumicino and 37% of passenger traffic operated in the Rome Airport System.

The following diagram sets out data on traffic related to key international destinations for the years ended 31 December 2011 and 2014.

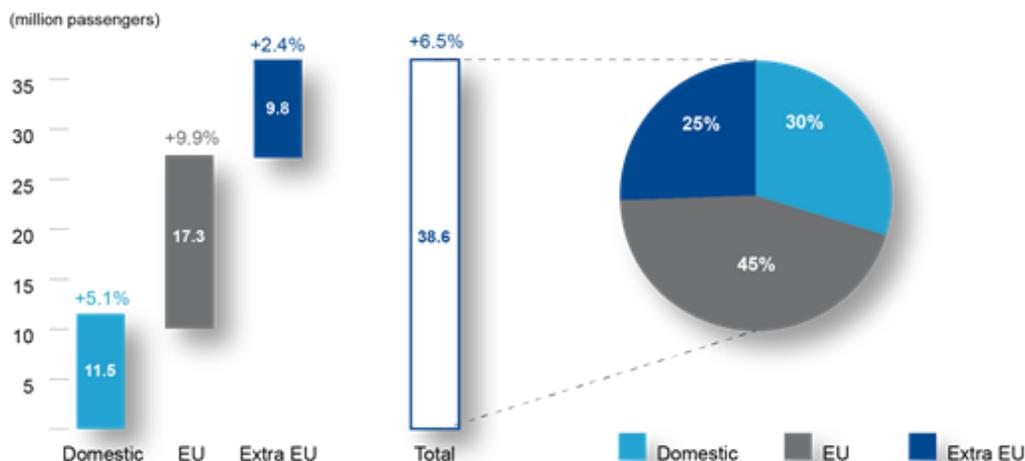
*Key international destinations 2011 – 2014 (thousands of passengers)*



Moreover, in 2014 several new routes were launched, such as those to Delhi and Abu Dhabi, and frequencies were increased (e.g. to Montreal, Buenos Aires, Rio de Janeiro, Sao Paulo, Tel Aviv, Detroit, New York, Charlotte), boosting Rome’s connectivity with dynamic markets worldwide. This trend has been confirmed in 2015 as connections with high potential markets have been further increased (for example, in October 2015, Fiumicino ranked second among Europe’s airports for number of connected Chinese cities).

The following diagrams set out the percentage change in the traffic composition at Fiumicino Airport for the year ended 31 December 2014 as compared to 2013.

*2014 traffic composition for Fiumicino airport (millions of passengers)*



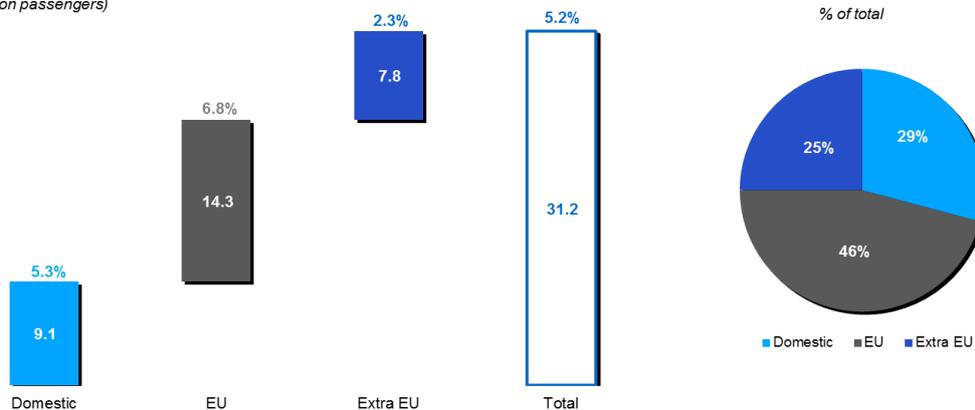
In the nine months ended 30 September 2015, passenger traffic at Fiumicino amounted to over 31 million passengers, an increase of 5.2% compared to the same period in 2014. In particular, international passenger traffic increased by 5.1%, due to the performance of passengers travelling to/from the European Union (up

6.8%) and those to/from non-EU destinations (up 2.3%) but also passengers flying domestic routes increased by 5.3% compared to the same period in 2014. The average flight load factor for the nine months ended 30 September 2015 was 76.8% and registered an increase of 2.8% compared to the same period in the previous year. As at 30 September 2015, Alitalia – the main passenger carrier at Fiumicino – accounted for approximately 41% of passenger traffic in Fiumicino and 36% of passenger traffic operated in the Rome Airport System.

The following diagrams set out the percentage change in the traffic composition at Fiumicino Airport for the nine months ended 30 September 2015 as compared to the same period in 2014.

*Traffic composition in the first nine months of 2015 for Fiumicino airport*

Change Jan.-Sep. 2015 vs. Jan.-Sep. 2014  
(million passengers)



**Traffic composition for Fiumicino Airport as of 30 September 2015**

In the third quarter of 2015 the airport recorded an increase in passengers of 4.9% compared to the same period of the previous year, combined with a positive trend in terms of capacity offered, with an increase in movements (up 0.5%), seats (up 2.2%) and aircraft tonnage (up 2.6%).

The passenger traffic performance, though positive, was affected, particularly in the peak season, by the effects of the fire at Terminal 3, net of which the improvement recorded by all the market segments (the 5.1% rise in the international segment in particular) would have been higher. Regarding network development, in the third quarter Vueling started a new annual flight to Madrid (starting in August) as well as numerous new seasonal connections started already in July (including the direct connection to Greek islands like Lemnos and Samos). With reference to long-haul traffic, a new connection to Seoul has been introduced by Asiana Airlines, a new carrier at Fiumicino, as well as the Alitalia flight which started in June 2015.

Alitalia, the reference carrier for Fiumicino airport, recorded a rise in passengers transported of 3.3% in the first nine months of 2015, against an essential stability for seats (down 0.5%) and a minor increase in movements (up 1.2%). Regarding the subdivision by segment, positive results are recorded in the domestic segment (up 4.3%) and internationally in the EU (up 5.5%); Non-EU flows were essentially stable (down 0.9%).

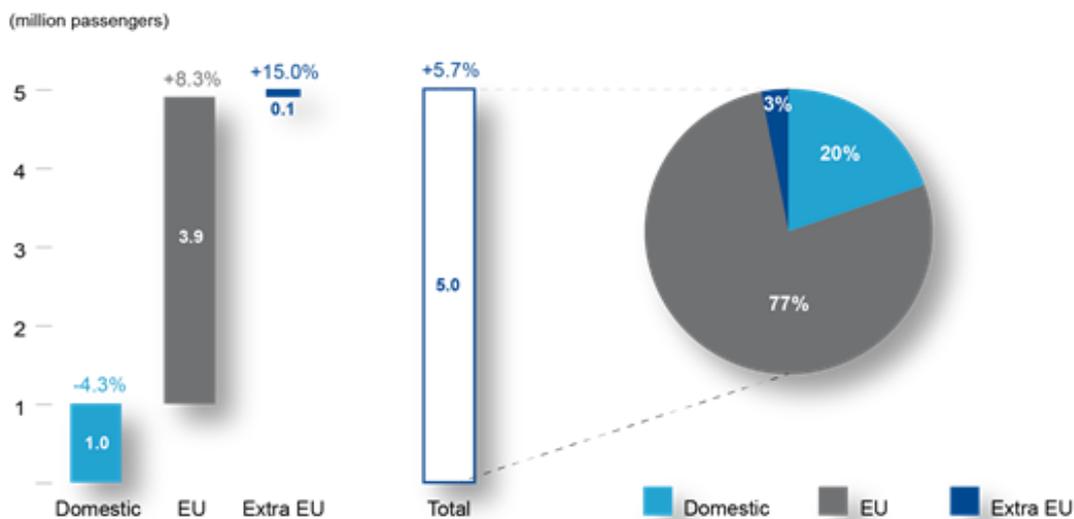
The growth in the volumes of transported passengers was more than proportional compared to the increase in the capacity offered: this led to an improvement also of the load factor, which reached 76.8%, rising by 2.8% percentage points compared to the same period of last year.

## Ciampino Airport

In the year ended 31 December 2014, Ciampino maintained the daily maximum limit set by law of a hundred commercial flights, registered an increase of 5.7% passenger traffic compared to 2013 and an increase in movements of 1.8%. The load factor also rose (up 1.1%), to 79.9%.

Passengers transported to EU destinations, which represented 77.2% of traffic at the airport, rose by 8.3% while the domestic segment dropped by 4.3%, essentially as a result of the connection with Bergamo being closed by Ryanair. Ryanair, the main carrier operating at this airport, recorded a growth in passengers transported of 5.6% compared to 2013; the growth for Wizz Air equalled 8.7%. The following diagrams set out the percentage change in the traffic composition at Ciampino Airport for the year ended 31 December 2014 as compared to 2013.

### 2014 traffic composition for Ciampino airport



### Traffic composition for Ciampino Airport as of 30 September 2015

In the nine months ended 30 September 2015, Ciampino Airport recorded a significant rise in passengers (up 19.9%), against a more limited increase in capacity in terms of both movements (up 8.2%) and seats (up 12.1%): this led to an improvement of the load factor, which reached 84.6%, rising by 5.5% compared to the same period of last year.

The positive performance was driven by the international market (up 26.1%) and is mainly attributable to the launch of several international connections by Ryanair, which offset the drop in the domestic segment (down 4.8%) mainly attributable to the transfer of some of the flights to Fiumicino airport.

As a whole, the performance of the airport appears to be affected by the consequences of the fire of 7 May at Fiumicino, which led (until 18 July) to flights being partially transferred to Ciampino airport.

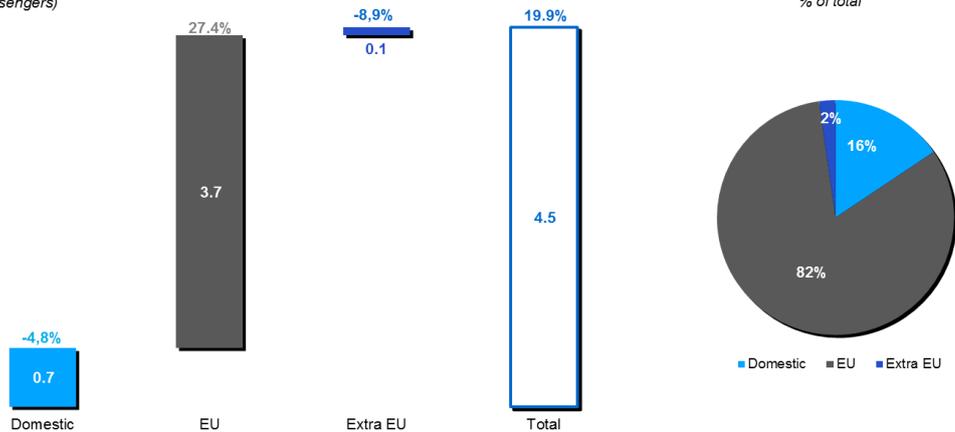
In the third quarter in particular, volumes grew in terms of passengers (up 19.0%) and capacity (movements up 14.0%, seats up 16.3%, tonnage up 16.7%); also the load factor rose (87.4%, up 1.9% compared to the same period of the previous year).

Regarding network development, Ryanair started a new annual flight to Copenhagen in September 2015.

The following diagrams set out the percentage change in the traffic composition at Ciampino Airport for the nine months ended 30 September 2015 as compared to the same period in 2014.

## Traffic composition in the first nine months of 2015 for Ciampino airport

Change Jan.-Sep. 2015 vs. Jan.-Sep. 2014  
(million passengers)



## 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	3+1	1
Passenger Terminals	4	2
Check-in desks	355	31
Information desks	8	1
Gates	83	17
Totem-mounted intercom systems to assist disabled passengers	9	3
Total pay car and motor bike parking spaces	19,278	1,742
Shops	128	6
Food and beverage areas	40	5

Certain of the above infrastructures have been affected by the fire which broke out on the night of 6 May 2015 at Terminal 3 of Fiumicino Airport. For further information regarding the fire event, see see “Other significant facts and developments in 2015” below.

### 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 2014, the airport attracted more than 38.6 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

At the date of this Admission Document, 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 four terminals (T1, T2, T3 and T5) and 5 boarding areas (B, C, D, G and H). Terminal 3 is connected with a people mover to a boarding area G, a detached pier. Fiumicino's terminals are contained in a single complex, linked internally (but not for T5) and covering a total surface area of over 315,000 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 SkyTeam Alliance for most domestic, Schengen and non-Schengen flights. T1 is comprised of three levels:

- Ground floor, arrivals: five baggage claim belts, retail and food and beverage shops;
- First floor, departures: 72 check-in desks, retail, food and beverage shops, VIP lounges, security facilities; and
- Mezzanine floor: Departures, retail and food and beverage shops.

**Terminal 2** only processes departing passengers on ground floor level. Eighteen check-in desks are provided as well as security check points, offices and food and drink facilities. The terminal is dedicated to low fare carriers. The current layout and configuration of this terminal have been in place since 2009.

**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, including to North America and other long-haul destinations and comprises three levels:

- Ground floor, arrivals: immigration processing, eight baggage claim belts, customs, offices, retail and food and beverage shops;
- First floor, departures: 215 check-in desks, security and immigration facilities, retail and food and beverage shops;
- Mezzanine floor: retail and food and beverage shops, airside lounges.

**Terminal 5** was opened in 2008 and is dedicated to North American and Israeli flights, which require specific security procedures.

### *Boarding areas:*

- Boarding area B (pier) has 27 boarding gates, 13 equipped with loading bridges and 14 bus gates at the ground level;
- Boarding area C has 16 bus gates, 7 (C1-C7) at the ground level and 9 (C8-C16) at the departure level;
- Boarding area D (pier) has 10 boarding gates equipped with loading bridges;
- Boarding area G (satellite) has 14 boarding gates, 11 of which equipped with loading bridges for wide body aircrafts and 3 bus gates;
- Boarding area H (pier) has 16 boarding gates, of which two boarding gates equipped with loading bridges only for departure passengers.

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 G) 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 m long and has a peak hour capacity of 6,000 passengers per hour per direction.

### *Runways and airside*

Fiumicino Airport has four 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. Runway 16C/34C, which is approximately 3.6 km long, is also located parallel to the RWY 16L/34R and is used as a backup runway during extraordinary maintenance on 16L/34R. 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 123 aircraft stands, which are where aircraft are parked, loaded, unloaded, refuelled and boarded, located south of runway 07/25 of which 120 are for passengers aircraft (84 are remote and 36 are contact stands) and 3 for cargo aircraft. The total passenger parking stands are divided in 22 for wide-body aircraft and 98 for narrow-body aircraft.

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

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

#### *Centralised infrastructures*

In 2000, ENAC identified the “**Centralised Infrastructures**” at Fiumicino as the infrastructures 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 Infrastructures 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 infrastructures 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 direct train, the Leonardo Express, both of which connect Fiumicino Airport with the center of Rome.

Since December, 2014, the airport has been served by 2 high speed trains a day from and to Rome, Florence, Bologna, Padua and Venice. From June 2015 high speed trains serving Fiumicino are 4 a day.

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 AdR’s and authorities’ headquarters, such as Police airport offices, are based); (iv) the Hilton hotel complex; (v) Fiumicino Airport’s Technical area, where Alitalia headquarters and aircrafts maintenance buildings are located; (vi) Fiumicino Airport’s west Area, where the fuel company and the main fire station are located; and (v) cargo city complex, economy parking and taxi and bus remote parking in the east of the Airport premises.

#### *Ciampino Airport*

##### *Overview*

Ciampino Airport 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).

##### *The Site*

At the date of this Admission Document, 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 and charter 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 79 aircraft stands, of which 50 are for commercial aviation and 29 are for general aviation, excluding an aircraft apron area reserved to military aircraft. The airport has 6 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 1 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.

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

The New Regulatory Framework envisages investments of approximately Euro 12 billion by 2044<sup>6</sup>, Euro 2.7 billion of which will be for the expansion of the current terminals apron and related facilities, the construction of another runway and the northward expansion of Fiumicino Airport.

In particular, the new 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 to 15 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 infrastructures 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 55 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 55 to more than 100 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 New Regulatory Framework are summarised below.

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<sup>(6)</sup> Source: Schedule 2 of the Economic Regulation Agreement (*contratto di programma*) signed by AdR and ENAC

- Plan for the completion of South-Fiumicino
  - Approximately Euro 2.7 billion capital expenditures expected in the period 2013-2021;
  - Expansion of capacity from current 35 million passengers to 57 million passengers per year;
  - Apron extension from 123 to 166 aircraft stands. Runway's refurbishment: visual aids, pavement. Additional 40 boarding bridges (from 36 to 76);
  - Construction of another runway;
  - New terminals and Pier: Pier A, Pier F, Pier J, boarding areas E, Ti Extension, T3 extension, T4. New Hold baggage Screen and Baggage handling system in T1 and T3;
  - Terminal Refurbishment: T3, T1, Boarding Areas C, D, for an aggregate 180,000 m<sup>2</sup> of additional area available;
  - Landside works: new automatic people mover to connect cargo city and remote car park to the terminal system. New freeway junction close to cargo city;
  - Car Park works: 6 new car park garages, refurbishment of short term car park and terminal curbside;
  - Restoration and maintenance works: all plant and system will be refurbished and improved. New Ceiling, new T3 check in hall.
  
- **Development of North- Fiumicino**
  - Approximately Euro 7.0 billion capital expenditures. Timing and strategy of execution dependent on actual traffic potential;
  - Total expected capacity of 50 million passengers per year;
  - Preparatory activities: water drainage, soil excavation;
  - 1,300 hectares of airport area extension, with up to 450,000 sqm of new terminal area available and up to 173 aircraft stands (of which 70% having loading bridge), which allows high operational flexibility;
  - Airside works: a further runway and related taxiways, apron;
  - Terminals works: processor and 2 piers for Schengen and non Schengen flights;
  - Landside works: highway junction, airport primary roads, curbside and internal road system;
  - Parking works: car park garage and remote car park;
  - Restoration and maintenance works;
  - Construction of an environmental park of 50 hectares; high percentage of renewable energy.
  
- **Ciampino Airports**
  - Airside works: apron refurbishment, runway refurbishment;
  - Terminals works: refurbishment of commercial aviation terminal and new general aviation terminal;
  - Restoration and maintenance works: of all building and infrastructure due to create a "city airport".

As at 30 September 2015, the investments carried out by the Group amounted to Euro 213.3 million<sup>7</sup>. For further information on the investments carried out in the first nine months of 2015, as well as the projects completed or launched in the same period, see pages 35-38 of the unaudited consolidated nine-month financial statements of AdR as at 30 September 2015 incorporated by reference in this Admission Document.

## **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 New 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;

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<sup>7</sup> The investments financed by ENAC in in the first nine months of 2015 amount to 17.8 million

(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 damages that may be caused to the entities present within the Airports and/or to third parties. Most of the aforesaid insurance policies have been entered into with the Assicurazioni Generali Group.

The New 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.

### **Legal Proceedings**

As part of the ordinary course of business, companies within the AdR 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 the disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made. As at 30 September 2015, AdR had a provision in its consolidated financial statement for legal proceedings amounting to Euro 36.9 million. For a description of risks arising from legal proceedings, see "*Risk Factors*".

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 is set out in the sections of the unaudited consolidated semi annual financial statements of AdR for the period ended 30 June 2015 headed "*Litigation*" and "*Other significant events*" and in the section of the unaudited consolidated quarterly financial statements of AdR as at 30 September 2015 headed "*Litigation*", both incorporated by reference into this Admission Document.

### **Other significant facts and developments in 2015**

#### ***Fire at Terminal 3 of Fiumicino Airport***

On the night between 6 and 7 May, 2015 a fire broke out at Terminal 3 (T3) of the Fiumicino Airport due to reasons currently being ascertained by the prosecutors. The fire has affected an area of about 5,450 sq. m. of Terminal 3.

In particular, the fire damaged the T3 security and passport control area, the node connecting C-D bridge areas, part of the transit tunnel and the T3 arrival and departure systems.

The most damaged area was immediately subject to seizure by the police on 7 May 2015. This area was made available to AdR again on 15 June 2015 following the issue of a release decree by the Public Prosecutor of Civitavecchia. AdR immediately began reclaiming and securing the area.

From an operational point of view, from 8:00 am to 1:00 pm of 7 May 2015, Fiumicino Airport was forced to cancel 100% of departing and arriving flights with the sole exempt of intercontinental flights. Following the meeting held on the same day with ENAC and other authorities involved in managing the emergency, aimed at verifying the state of Terminal 3 and agreeing on the methods of action, starting from the afternoon of the same day, airport operations gradually resumed at up to 50% of the allocated operating capacity.

AdR undertook actions aiming at restoring Fiumicino Airport's operations while respecting the priority of protecting the health and safety of employees. To this end, AdR immediately appointed Belfor, a specialised and well known company operating in the field of fire recovery.

The Fiumicino Airport became fully operational once again, also for short and mid haul flights, on 19 July, 2015 after Pier D was reopened.

114 retail outlets were affected by the fire, which were under sub-concession to third parties. 20 outlets have been seriously damaged and the reopening times cannot be estimated.

After the fire, AdR immediately commissioned the company HSI Consulting to monitor the air quality; surveys were conducted, searching for pollutants due to the fire, conforming to the national and international reference standards for similar cases and based on the activities carried out in the national territory by public authorities. Based on air quality monitoring, the data relating to pollutants, pursuant to national legislation (Legislative Decree 81/2008), has always to be within the permitted limits – except for one day and only one agent (toluene), when the area concerned was closed to the traffic due to reclamation work – and, specifically concerning dioxin, in the absence of a specific standard in national legislation, the related figures were always significantly within the permitted limits required by German law, with Germany being the only EU country to have set some reference parameters for this substance. In addition, AdR regularly communicates the results of its monitoring to passengers and operators.

On 26 May, 2015, with an order of the judge in charge of the preliminary investigations, for precautionary purposes, the preventive seizure pursuant to Article 321 of the Criminal Procedure Code of pier D of Terminal 3 was ordered, with authorization to access only to restore the healthy conditions of the work environments. On AdR's request, after fulfilling the related provisions, with measure of 19 June 2015, the release of pier D of Terminal 3 was ordered, with the request of carrying out a thorough, homogeneous and simultaneous reclamation of the commercial areas, entrusting the Supervisory Authority with the related monitoring. AdR has fulfilled all the related provisions.

To date, both the surveys by the competent bodies, aiming to accurately reconstruct the circumstances that led to the event and to identify any responsibilities, and the activities carried out by AdR and the assessors, aimed at quantifying the damages directly and indirectly suffered, are in progress, with respect to which the related insurance coverage and the possible contractual and legal safeguards will be activated.

The Public Prosecutor of Civitavecchia has opened two criminal proceedings in relation to the fire.

The first proceeding – p.p. RGNR 3080/2015 – regards the offence under Articles 113 and 449 of the Criminal Code (participation in arson), in which four employees from the contractor of the ordinary maintenance of the air-conditioning systems and an AdR supervisor of the same activity are being investigated.

The second proceeding – p.p. RGNR 3082/2015 – concerns the safety in the workplace violations under Legislative Decree 81/2008, in which the then CEO of AdR, in his capacity as employer of the company, and two managers of the Group with the same role and function in the two subsidiary undertakings (AdR Security and Airport Cleaning), are being investigated. In August and September 2015, the then CEO of AdR and the two managers employers at AdR Security and Airport Cleaning were notified via separate

proceedings requiring them to pay the fines relating to the violations found as part of the mentioned case no. 3082/2015, which will be settled as a consequence. The conditions were thus met for the case to be formally declared settled by the Judicial Authority.

On 25 November 2015, the Public Prosecutor of Civitavecchia completed the preliminary investigations related to the first proceeding (p.p. RGNR 3080/2015); such investigations precede (but shall not necessarily give rise to) any subsequent committal for trial in Court of the people under investigation. As reported in the notice of completion of the preliminary investigations, the then CEO of AdR, five employees of the contractor of the servicing of the air-conditioning system and two employees of AdR are under investigation. Under investigation for the same offence, i.e. negligent fire (*incendio colposo*), are also the Director of ENAC at the Fiumicino Airport and commander-in-chief of the Fire Brigade at the Fiumicino Airport.

On 4 December, 2015 a letter from Alitalia stating a claims for damages indicated in the amount of Euro 78,2 million was received by ADR. ADR, in a precautionary attitude, transmitted such letter to the insurers.

As at the date hereof, AdR and the insurers are ascertaining the amount of damages directly and/or indirectly derived from the fire in respect of which all applicable contractual and legal protections would be enforced. In addition, experts are also assessing the amount of claims raised by third parties.

***Highlights from the unaudited consolidated interim financial statements of AdR as at and for the nine months ended 30 September 2015***

In the first seven months of 2015, the air traffic sector recorded an increase in passengers transported of +6.2%<sup>8</sup>, due to rising International (+6.3%) and Domestic (+6.2%) transport volumes. All geographic areas recorded growing volumes, from +10.6% of the Middle East to +2.3% of Africa; in Europe, passenger traffic rose by +4.9%, consequently to the increase recorded at International (+4.7%) and Domestic (+5.0%) level.

In Italy, passenger traffic<sup>9</sup> grew by 4.4%, thanks above all else to the International component (+6.7%), against a lower increase (1.0%) recorded for the Domestic segment.

The Rome Airport System, in the first nine months of 2015, recorded a satisfactory performance despite the negative impact of the fire at Terminal 3 of 7 May, 2015. The two airports of Fiumicino and Ciampino welcomed more than 35.6 million passengers, with a growth of 6.8% compared to the same period of the previous year, recording a rise in International traffic of 7.7% and in Domestic traffic of 4.4%.

A positive performance was obtained also in terms of capacity offered, with movements growing by 2.2%, seats offered onboard by 3.7% and tonnage by 3.6%; these results consequently determined an increase in the load factor, which reached 77.8%, thus recording a growth of 2.3 percentage points.

**Other significant facts and developments in 2016**

***Key performance indicators of the Rome Airport System as at 31 December 2015***

<i>(Euro in millions)</i>	<b>2015</b>	<b>2014</b>
<b>Total Revenue</b>	804	751
<b>EBITDA</b>	450	466
<b>Operating cash flow</b>	320	337
<b>Capital expenditure (**)</b>	318	151

<sup>8</sup> Source: ACI Pax Flash report, July 2015.

<sup>9</sup> Source: Assaeroporti; January-August 2015.

*(\*\*) Includes expenditure on assets held under concession, on property, plant and equipment and on other intangible assets.*

Based on the information currently available, the Rome Airport System has shown, with respect to the year ended on 31 December 2015, the following results:

- Passenger traffic at Fiumicino and Ciampino Airports up 6.1% in 2015, compared with previous year;
- Airports segment reports total revenue of Euro 804 millions for 2015, up 7% on previous year (up 6% on like-for-like basis);
- EBITDA of Euro 450 millions down Euro 16 millions (3%) compared with 2014, in part due to impact of costs incurred as a result of Terminal 3 fire; on like-for-like basis, EBITDA up 2%; and
- Capital expenditure of Euro 336 millions<sup>10</sup> almost double figure for 2014 (Euro 173 millions).

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<sup>10</sup> Including capex funded by ENAC, totalling Euro 18millions in 2015 and Euro 22 millions in 2014.

## 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 AdR considers material in the context of the issue of the Class A4 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 Class A4 Notes and should not rely on this summary only.*

### Overview

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 New 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 and ENAC regulations which have been issued and amended over time, in addition to generally applicable laws and specific legislation, such as the “**Navigation Code**” (*Codice della Navigazione*), amended by Legislative Decree No. 151 of 15 March 2006, setting forth the duties and responsibilities with respect to airport management.

The main international rules governing international civil aviation are set out in the Warsaw Convention of 1929 (*Convention for the Unification of Certain Rules Relating to the International Carriage by Air*) as amended by the Hague Protocol of 1955 and the Montreal Protocol No. 4 of 1975, the Montreal Convention of 1971 (*Convention for the Suppression of Unlawful Acts against Safety of Civil Aviation*) and the Chicago Convention of 1944 (*Convention on International Civil Aviation*), 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 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**”) 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 managing, 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. 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 the Passenger's Charter (*Carta dei diritti del passeggero*) and the Service Charter (*Carta dei servizi*). The Service Charter sets out the minimum quality standards that airport operators are required to comply with in relation to their relevant services. The Passenger's Charter is a practical *vade mecum* providing for international, EU 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.

ENAC is also entrusted with other powers, including to take 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.

Italian Law Decree No. 101 of 31 August 2013, converted into Law No. 125 of 30 October 2013, 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.

## **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 is entrusted with powers of economic regulation in relation to, *inter alia*, the railways, motorways and marine sectors as well as in the airport sector. The Decree of the President of the Republic of 9 August 2013 appointed three members of the ART for a term of seven years. Without prejudice to the foregoing, ENAC and the MIT have, respectively, ceased to exercise the economic regulatory powers and the supervisory powers temporarily vested with them prior to the ART becoming operational.

As far as economic regulatory powers are concerned, in October 2014 ART issued guidelines for tariff setting; however, such guidelines do not apply to Italy's three major airport managers of Rome, Milan and

Venice which have entered into *ad hoc* agreements with ENAC such as the New Regulatory Framework (as defined below) entered into by ENAC and AdR (see, *inter alia*, “*The Regulatory Framework – General*” below).

### **The New 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 “**New Regulatory Framework**”) between AdR and ENAC was completed.

The New Regulatory Framework includes provisions governing the management of the Rome Airport System (the “**New 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 New 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 New 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); and
- 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. In particular, from 9 March 2013, AdR benefited from regulated passenger tariff increases from approximately Euro 10 to approximately Euro 26 per passenger for 2013 (on average for all services provided), with annual increases to be implemented from 2014 onwards (linked to AdR’s fulfillment of certain investment criteria); and
- AdR is required to promptly implement the investment plan approved by ENAC provided for in the New 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 the Fiumicino Airport. These investments are made in order to develop the infrastructure of Fiumicino and Ciampino airports, and to increase the capacity and quality of the Rome airport system.

Prior to the New Regulatory Framework, AdR had not been able to increase its aviation charges since 2001, except for some adjustments to allow for a partial inflation recovery since 2009. The prolonged lack of regulatory clarity surrounding aviation revenues significantly affected the credit rating of AdR, as assessed by Standard & Poor’s, and AdR’s long term debt, as assessed by Moody’s, which progressively worsened after 2005: falling from “A-” to “BB+” and from “A3” to “Ba2”, respectively. Notwithstanding the continuing global financial crisis, following the approval of the New Regulatory Framework AdR has been upgraded to again become an investment grade company by Standard & Poor’s and Moody’s with a credit rating of “BBB-” and a long term debt rating of “Baa3”, respectively.

In the 10 year period between 2001 and 2011, various pieces of legislation were enacted with the aim of, *inter alia*, (i) re-defining the duties and responsibilities applicable to providers of airport management

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

services, (ii) providing specific requirements to be included in the relevant concession agreements and (iii) pursuing the rationalisation and the efficiency of the airport management sector. Furthermore, the competent Italian authorities resolved that the development of the infrastructure of the Rome Airport System could not be delayed any further. Accordingly, discussions between AdR and ENAC regarding the New Concession and the ERA started in 2010.

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 New Concession.

As noted above, based on, *inter alia*, the investment plan and the quality of services, as a result of the first application of ERA in March 2013 passenger tariffs have increased; further increases have been effected in March 2014 and in March 2015. Such increase are primarily dependent on AdR meeting its planned investments.

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

By a decree dated 31 January 2014, the Italian Prime Minister has approved the second additional deed to the New 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 New 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. For further information see, *inter alia*, “*Update of the applicable tariffs – 2014 tariffs adjustments*”, below.

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

On 9 December 2014, AdR and ENAC entered into a third additional deed to the New Regulatory Framework (the “**Third Additional Deed**”). Such Third Additional Deed has been entered into to integrate Annex 10 to the New 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 New 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 New Concession, AdR is required to (i) maintain certain levels of quality for passenger services, as provided for in the Service Charter (*Carta dei servizi*), which was adopted by AdR pursuant to applicable laws, and (ii) submit to ENAC periodic updates containing data relating to the quality of such services.

Under the New 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 New 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 New 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 New 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-concessions*" 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 Service Charter (*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 New Regulatory Framework sets out procedures for early termination of the Concession for (i) valid public interest reasons, (ii) non-performance by AdR or ENAC of the material terms of the Concession and (iii) material changes in the legal framework of the activities carried out by AdR. In particular, the New Regulatory Framework provides for (a) revocation of the Concession for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law, (b) discontinuance upon termination of the New Concession (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and (c) withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law for reasons 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 New 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 New Concession terminated in the following cases:

- the procedure of approval of the Airport Development Plan submitted by AdR on 30 June 2013 is not completed within 36 months from its submission to ENAC, unless there are any interruptions of the procedure; or
- 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 New Concession to the MIT, which in turn is required to adopt, in agreement with the MEF, the order of discontinuation of the New 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 New Concession.

Until the order of discontinuance of the New 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 New 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, (ii) discontinuation due to termination of the New Concession or (iii) withdrawal of the Concession, 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 New 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***

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.

Save for cases of extreme variations in the levels of air traffic with respect to forecasts leading to a potential tariff review, the applicable tariffs for the first Tariff Sub-period (2012-2016) are not expected to change, except with regards to amendments linked to timing and amount of the capital expenditures.

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

The ERA introduces 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 New 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 New 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.

Based on the foregoing, the real pre-tax weighted average cost of capital (“WACC”) for the first Tariff Regulation Period (2012 – 2016) is equal to 11.91%, which corresponds to 8.58% nominal post-tax. The ERA also provides for mechanisms and parameters for the review and update and specify (on a five or ten year basis, as the case may be) an applicable rate of return on the capital invested.

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.

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 New 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.

### ***Update of the applicable tariffs – 2014 tariff adjustments***

On 31 October 2013, AdR started consultation with airport users on 2014 tariffs in compliance with Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges.

The final tariff scheme applicable from 1 March 2014 to 28 February 2015 envisaged an average tariff of 28.2 euros per outbound passenger at Fiumicino airport (including the change with regard to transit fee).

#### ***Update of the applicable tariffs – 2015 tariffs adjustments***

On 30 October 2014, AdR started consultation with airport users on 2015 tariffs in compliance with Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges.

The final tariff scheme applicable from 1 March 2015 to 28 February 2016 envisages an average tariff of 29.8 euros per outbound passenger at Fiumicino airport (including the change with regard to transit fee).

#### ***Update of the applicable tariffs – 2016 tariffs adjustments***

On 30 August 2015, AdR started consultation with airport users on 2016 tariffs in compliance with applicable laws (including Directive 2009/12/EC (as defined above)) and ENAC's policies and guidelines headed "*Procedura di consultazione tra gestore ed utenti aeroportuali per i contratti di programma in deroga e ordinari*". In particular, these policies and guidelines introduce, according to Directive 2009/12/EC, the possibility for airport users to resort to ENAC in case of disagreement on the airport manager's tariff proposal. New tariffs resulting from ENAC's approval applicable from 1 March 2016 to 28 February 2017 envisages an average tariff of 32.8 euros per outbound passenger at Fiumicino airport (including the change with regard to transit fee).

#### **Project for completion of the infrastructure at Fiumicino South**

On 12 May 2014 the "Interregional Directorate for Public Works for the regions of Lazio, Abruzzo and Sardinia" (*Provveditorato Interregionale per le Opere Pubbliche per il Lazio, l'Abruzzo e la Sardegna*) by Protocol No. 1774/512 authorised the project of completion of the infrastructures at Fiumicino South and affirmed the "public utility" of such project; accordingly the relevant area affected by the works has been identified as an area available for expropriation (*espropriazione* pursuant to Italian law). On the same date, the Directorate of the Ministry of Infrastructure and Transport resolved, *inter alia*, to: (i) adopt the decision at the closure of the Service Conference regarding the project of completion of Fiumicino South; (ii) authorise the completion project; (iii) declare the public utility, non-delayable nature and urgency of the works; and (iv) start the expropriation procedures for the restriction area of Cargo City. On 5 September 2014, ENAC issued a Managerial Decree regarding the conclusion and finalisation of the approval process.

For further information see, "Business Description of the Group – The Group's Investment Programme", above.

#### **Airport noise – European Parliament and Council Regulation**

On 12 June 2014, the European Parliament and Council Regulation of 16 April 2014 was published in the Official Gazette of the European Union L173. This established the rules and procedures to introduce operating restrictions aimed at containing the noise at airports in the EU, as part of a balanced approach. Regulation 598/2014, which abolished Directive 2002/30/EC (adopted in Italy with Italian Legislative Decree no. 13 of January 17, 2005), will come into force on 13 June 2016 and will apply to the European airports with traffic levels higher than 50,000 movements of civil aircraft per calendar year based on the average of the last three calendar years before determining the noise. The regulation hinges on the concept of "balanced approach", i.e. the process developed by the International Civil Aviation Organization to consistently determine the series of measures available, and namely the reduction of the noise produced by aircraft at the source, the planning and management of the territory, the noise abatement operating procedures and operating restrictions, in order to solve the problem of noise pollution in full compliance with the cost/effectiveness principle at the level of individual airports.

#### **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. According to such new piece of legislation airports and airports operators must obtain the new certification by 31 December 2017. Requirements to which the release of such certifications is subject to are provided in Annex II thereto.

### **Certain rules and regulations enacted to date and other relevant information on the application of the New Concession and ERA**

- In order to avoid that an infraction procedure be started against the Italian Government in relation to the application of different airport fees to EU and Non-EU flights, AdR, on the basis of the resolution passed by its Board of Directors on 28 June 2013, informed ENAC that it would start applying “EU” fees to flights to and from Switzerland, starting from 1 July 2013.
- On 7 October 2013, ENAC prompted the airport management companies to provide information to the carriers by 11 October 2013 in relation to the criteria for the calculation of the new unified EU and Non-EU landing and take-off fee. On 11 October 2013, ENAC communicated that the effective date of the new unified fees for Fiumicino and Ciampino should be 1 January 2014. Following the enactment of a decree of the Italian Prime Minister dated 29 October 2013, landing and take-off fees are unified for EU flights and non EU flights starting from 1 January 2014.
- The Lazio Regional Finance Act, approved on 29 April 2013, introduced provisions on the regional tax on aircraft noise (“**IRESA**”) which established a tax to be borne by the carriers and to be paid to the airport management companies which will periodically pay it back to the Lazio Region . AdR has started to charge this tax in May 2014 (applicable from 1<sup>st</sup> January 2014) after signing an agreement for tax management with the Lazio Region dated 30 January 2014. In a verdict dated 9 February 2015 the Italian Constitutional Court (*Corte Costituzionale*) declared the appeal of the Lazio Regional Authority inadmissible, which was aimed at ascertaining the unconstitutionality of a provision stating that the maximum value of the parameters of the IRESA measures cannot exceed 0.50 euros.

Subsequently the Council of the Lazio Regional Authority, after the above mentioned verdict, decided to:

- authorise AdR – pending specific legislative measures to be enacted by the Lazio Regional Authority – to ascertain, collect and repay the IRESA by charging, as an advance payment, a maximum 0.50 euro per ton of the maximum takeoff weight (MTOW), notwithstanding the application of a possible adjustment, once the regional tax law is approved; and
- to entrust the Regional Directorate for Economic Planning, Budget, State Property and Assets with taking the consequent actions needed to subscribe an *addendum* to the agreement between the Lazio Regional Authority and AdR to manage the IRESA, in order to recall the application of the measures under the point above, pending specific legislative measures to be enacted by the Lazio Regional Authority.

Article 2 of Regional Law No. 11, published in the Official Bulletin of the Lazio Region of 30 July 2015, reports the adjustment of the new IRESA amounts, according to the new regulatory measures, starting from 22 February 2014.

- Starting from 1 July 2013, an additional increase in the municipal surcharge of Euro 2.00 on passenger boarding fees was applied, pursuant to Law No. 92 of 28 June 2012. As a consequence, the total amount of the surcharge per outbound passenger amounts to approximately Euro 7.5 for Fiumicino and Ciampino airports.
- On 8 August 2013, the Italian Ministry of the Environment, in agreement with the Italian Minister of Cultural Heritage and Tourism issued the VIA (*Valutazione Impatto Ambientale*) containing 40 regulations in total that concern the works envisaged by the “*Aeroporto Leonardo da Vinci – Progetto di completamento di Fiumicino Sud*” project.
- On 22 October 2015, the EU Commission started an infringement procedure concerning the incorrect transposition in Italy of Directive 2009/12/EC. The Commission complained to the Italian

State that the consultation procedure on tariff updates applied in major national airports (Rome, Milan and Venice) would not entirely meet the requirements of the EU Directive.

## 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.

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, the Municipality of Fiumicino, the Province of Rome and the Lazio Region 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 by law or AdR’s by-laws.

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**”). 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, 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.

## MANAGEMENT

### *Board of Directors*

The shareholders’ meeting held on 9 April 2013 appointed nine members of the Board of Directors for a period of three years (while the tenth director has been appointed by the Municipality of Rome, the Municipality of Fiumicino, the Province of Rome and the Lazio Region thereafter). 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 2015. Following resignation of Mr Stefano Cao as Director, the Board of Directors of AdR is currently composed of nine members.

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

Name	Position
Fabrizio Palenzona	Chairman
Ugo de Carolis <sup>(0)</sup>	Chief Executive Officer

Name	Position
Giuseppe Angiolini	Director
Luigi Barone <sup>(1)</sup>	Director
Giovanni Castellucci <sup>(2)</sup>	Director
Pier Luigi Celli	Director
Giancarlo Guenzi <sup>(3)</sup>	Director
Gennarino Tozzi <sup>(4)</sup>	Director
Marco Pace <sup>(5)</sup>	Director

(0) Director co-opted on 11 March 2016 in lieu of Mr Lorenzo Lopresti (dead in February 2016).

(1) Director jointly designated by the Municipality of Rome, the Municipality of Fiumicino, the Province of Rome and the Lazio Region pursuant to article 2449 of the Italian Civil Code.

(2) Director co-opted on 25 September 2013 and appointed by the shareholders' meeting held on 27 November 2013.

(3) Directors appointed by the shareholders' meeting held on 15 April 2014.

(4) Director co-opted on 21 February 2014 and appointed by the shareholders' meeting held on 15 April 2014.

(5) Director co-opted on 4 February 2015 and appointed by the shareholders' meeting held on 29 April 2015. 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 dell'Aeroporto di Fiumicino, 320, 00054 Fiumicino (Rome), Italy.

### ***Senior Management***

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

Name	Position
Gian Luca Littarru	General Manager
Michelangelo Damasco	Legal and Corporate
Marco Troncone	Planning, Finance and Control
Guido Massimo Mannella	Tenders, Contracts and ICT
Ivan Bassato	Airport Management
Giorgio Gregori	Infrastructures
Fulvio Fassone	Commercial Services
Stefano Porro	External Relations
Fausto Palombelli	Commercial Aviation
Fabio Capozio	Administration & Finance

### **SUPERVISORY BOARD**

In order to implement the provisions of Legislative Decree No. 231 of 8 June 2001, AdR has established a Supervisory Board, which is currently chaired by Quirino Nicoletta and composed of Diana Strazzulli and Antonio Sanna.

## BOARD OF STATUTORY AUDITORS

The shareholders' meeting held on 9 April 2013 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 2015.

Pursuant to Article 5 of the New Regulatory Framework (implementing the provisions of Article 5, Paragraph 2, item 8, of Law No. 755/73) three members of the AdR's Board of Statutory Auditors were 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 following table sets out the current members of the Board of Statutory Auditors.

Name	Position
Maria Laura Prislei <sup>(1)</sup>	Chairman
Mauro Romano <sup>(2)</sup>	Member
Andrea Carlo Tavecchio <sup>(3)</sup>	Member
Mario Tonucci	Member
Pier Vittorio Vietti	Member
Massimiliano Troiani	Alternate Auditor
Fabio Margara	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 AdR's registered office at Via dell'Aeroporto di Fiumicino, 320, 00054 Fiumicino (Rome), Italy.

## Conflict of Interest

Except as disclosed in "*Certain relationships and related parties transactions*" 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 became effective (the "**Merger Effective Date**"), Atlantia has become the controlling shareholder of AdR, holding 95.92% of the share capital of AdR. Sintonia S.p.A. is the controlling shareholder of Atlantia, holding 30.25% 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 30 June 2015, based on AdR's shareholders register.

Shareholders	Ownership Interest
Atlantia S.p.A.	95.92%
Chamber of Commerce of Rome	0.802%

Lazio Region	1.329%
Roma Capitale (Municipality of Rome)	1.329%
Province of Rome	0.251%
Municipality of Fiumicino	0.100%
Others	0.269%
Total	100.00%

Under Article 3, Paragraph 6 of the New 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 New 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.

#### **Transactions with related parties**

Information on transactions with related parties entered into by AdR, directly or through its subsidiaries, with related parties are described under (i) the section "*Transactions with related parties*" on pages 189-190 of the consolidated annual financial statements of AdR as at and for the year ended 31 December 2014, and (ii) the section "*Transactions with related parties*" on pages 123 – 124 of the unaudited consolidated semi-annual financial statements of AdR for the six month period ended 30 June 2015.

## **FINANCIAL INFORMATION RELATING TO THE FINANCIAL POSITION OF AdR AND INDEPENDENT AUDITORS**

### **Consolidated Financial Statements of AdR**

The consolidated audited annual financial statements of AdR of the financial years ended on 31 December 2013 and 31 December 2014 and the unaudited semi-annual financial statements for the period ended on 30 June 2015 are available on AdR's website at the following link: [www.adr.it/web/aeroporti-di-roma-en-/azn-financial-information](http://www.adr.it/web/aeroporti-di-roma-en-/azn-financial-information).

### **Independent Auditors**

AdR's current independent auditors are Reconta Ernst & Young S.p.A., with registered office at Via Po 32, 00198, Roma, Italy ("**Ernst & Young**" or the "**Independent Auditors**").

Reconta Ernst & Young 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 have no material interest in AdR. 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.

## TERMS AND CONDITIONS OF THE CLASS A4 NOTES

*The following is the text of the terms and conditions (the "**Conditions**", and any reference to a "**Condition**" is construed accordingly) that are incorporated by reference into the Global Note and any Definitive Note issued in exchange for the Class A4 Notes in global form. Class A4 Notes in definitive form will only be issued in certain limited circumstances. The Conditions applicable to any Class A4 Note in global form will differ from those terms which would apply to the Class A4 Note were it in definitive form to the extent described in the form of Global Note.*

The £215,000,000 in aggregate principal amount of 5.441 per cent. Class A4 Secured Notes due 2023 (the "**Class A4 Notes**" or the "**Notes**") were originally issued by Romulus Finance S.r.l. ("**Romulus**" or the "**Issuer**") on 20 February 2003 (the "**Issue Date**"), together with other classes of notes now fully repaid, to finance the purchase of certain claims (the "**Claims**") arising out of the Original Facilities Agreement (as defined below) purchased by the Issuer from the sellers thereof (the "**Original Banks**") pursuant to a transfer agreement dated 14 February 2003 between the Issuer and, *inter alia*, the Original Banks. Following an issuer substitution effective from (and including) 20 March 2016 (the "**Issuer Substitution**" and "**Issuer Substitution Effective Date**", respectively), Aeroporti di Roma S.p.A. ("**AdR**") has become the principal and sole debtor and obligor under the Class A4 Notes. From (and including) the Issuer Substitution Effective Date all references in these Conditions to the Issuer shall be read and construed as being references to AdR.

The Class A4 Notes are constituted by and have the benefit of a note trust deed originally entered into on or about the Issue Date between Romulus and BNY Mellon Corporate Trustee Services Limited (formerly J.P. Morgan Corporate Trustee Services Limited) as note trustee (the "**Note Trustee**", which expression includes any successor and permitted assigns thereof and all persons for the time being trustee or trustees appointed under the Note Trust Deed (as defined below)) for the holders of the Class A4 Notes (the "**Noteholders**") and the holders of interest coupons appertaining to the Class A4 Notes (the "**Couponholders**" and the "**Coupons**", respectively), as amended and restated by an amendment and restatement deed entered into by AdR and the Note Trustee on 20 March 2016 upon completion of the Issuer Substitution (as amended or supplemented from time to time, the "**Note Trust Deed**").

The Class A4 Notes are the subject of an issue and paying agency agreement originally entered into on or about the Issue Date between Romulus, the Note Trustee, The Bank of New York Mellon (formerly J.P. Morgan Chase Bank) as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successors and permitted assigns thereof), and as calculation agent (the "**Calculation Agent**", which expression shall include any successors and permitted assigns thereof) The Bank of New York Mellon (Luxembourg) S.A. (formerly J.P. Morgan Bank Luxembourg S.A.) as Luxembourg paying agent (the "**Luxembourg Paying Agent**", which expression shall include any successors and permitted assigns thereof), and any other paying agent named therein or appointed thereunder (each a "**Paying Agent**", which expression shall include any successor and permitted assigns thereof and together with the Principal Paying Agent and the Luxembourg Paying Agent, the "**Paying Agents**"), as amended and restated by an amendment and restatement agreement entered into by, *inter alios*, AdR, the Note Trustee and the Principal Paying Agent on 20 March 2016 upon completion of the Issuer Substitution (as amended or supplemented from time to time, the "**Issue and Paying Agency Agreement**").

Pursuant to a deed of assignment entered into between AdR and the Note Trustee on 20 March 2016 (as amended or supplemented from time to time, the "**Deed of Assignment**") AdR, in its capacity as principal and sole debtor and obligor under the Class A4 Notes following the Issuer Substitution, has assigned by way of security all of its rights, title, interests and benefits in, to and under the Relevant Swap Transactions (as defined below) to the Note Trustee (for itself and on behalf of the Noteholders) (together, the "**Issuer Secured Creditors**") as continuing security for the payment and discharge of the Secured Obligations (as defined below) up to the Maximum Secured Amount (as defined below).

Certain statements in these Conditions are summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issue and Paying Agency Agreement and the Deed of Assignment.

Copies of the Note Trust Deed, the Issue and Paying Agency Agreement and the Deed of Assignment are available for inspection, and copies are obtainable, by the Noteholders during normal business hours at the specified offices of the Issuer and the Principal Paying Agent save that a Noteholder (or any person acting on its behalf) must produce satisfactory evidence as to its holding of such Class A4 Notes and of its identity (and, if acting on behalf of a Noteholder, satisfactory evidence as to its capacity as such).

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed and the Deed of Assignment and are deemed to have notice of those provisions applicable to them of the Issue and Paying Agency Agreement.

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

The Class A4 Notes are issued in bearer form in the Specified Denominations. Class A4 Notes of one Specified Denomination will not be exchangeable for Class A4 Notes of other Specified Denominations.

The Class A4 Notes are serially numbered and issued with Coupons attached.

Title to the Class A4 Notes and the Coupons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Class A4 Note or Coupon 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 any interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Class A4 Note, "**holder**" (in relation to a Class A4 Note or Coupon) means the bearer of any Class A4 Note or Coupon.

### **2. Status of the Class A4 Notes**

#### **(a) Status of the Class A4 Notes**

The Class A4 Notes were originally issued as "*titoli*" pursuant to Article 5 of Italian Law No.130 of 30 April 1999. Following the Issuer Substitution, AdR has become the principal and sole debtor and obligor under the Note Trust Deed and the Class A4 Notes in relation to all payment obligations arising in relation thereto.

#### **(b) Ranking**

The Class A4 Notes rank *pari passu* without any preference or priority among themselves for all purposes.

#### **(c) Obligations of the Issuer only**

The Class A4 Notes are obligations solely of the Issuer and are not obligations of or guaranteed by any other party to the Issuer Transaction Documents.

#### **(d) Security**

The obligations of the Issuer under the Note Trust Deed and the Class A4 Notes are secured pursuant to and in accordance with the terms of the Deed of Assignment in an amount up to the Maximum Secured Amount. The Note Trustee will exercise its rights under the Deed of Assignment in accordance with its terms.

### **3. Negative Pledge**

So long as any of the Class A4 Notes or Coupons remain outstanding (as defined in the Note Trust Deed) neither the Issuer nor any Material Subsidiary shall create or permit to subsist any 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 Class A4 Notes, the Coupons and the Note 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 Note 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 Note Trust Deed) of the Noteholders.

#### **4. Interest and other Calculations**

(a) *Rate of Interest and Accrual*

Each Class A4 Note bears interest on its Principal Amount Outstanding from the Issue Date at the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, subject as provided in Condition 6 (*Payments*).

Interest will cease to accrue on each Class A4 Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

(b) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, "unit" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(c) *Calculations*

The amount of interest payable in respect of any Class A4 Note for each Interest Period shall be calculated by multiplying the product of the Rate of Interest and the Principal Amount Outstanding of such Class A4 Note during that Interest Period by the Day Count Fraction.

(d) *Determination and Publication of Rates of Interest and Early Redemption Price*

As soon as practicable on such date as the Calculation Agent may be required to calculate any Early Redemption Price, obtain any quote or make any determination or calculation, the Calculation Agent shall calculate the Early Redemption Price or obtain such quote or make such determination or calculation, as the case may be, and cause, if required to be calculated, the Early Redemption Price to be notified to the Paying Agents, the Note Trustee, the Issuer and the Noteholders in accordance with Condition 15 (*Notices*) as soon as possible after its determination but in no event later than the fourth Business Day after such determination. The calculations and determinations so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Class A4 Notes become due and

payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Class A4 Notes shall nevertheless continue to be calculated as previously provided in accordance with this Condition 4 but no publication of the Rate of Interest so calculated need be made unless otherwise required by the Note Trustee. The determination of the Early Redemption Price, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent or, as the case may be, the Note Trustee pursuant to this Condition 4 (*Interest and Other Calculations*) or Condition 5 (*Redemption, Purchase and Option*), shall (in the absence of manifest error) be final and binding upon all parties.

(e) *Determination or Calculation by Note Trustee*

If the Calculation Agent does not at any time for any reason determine any Rate of Interest, Early Redemption Price or any other amount to be determined or calculated by it, the Note Trustee, shall determine such Rate of Interest, Early Redemption Price or other amount in accordance with this Condition 4 or, if not possible, at such rate and in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Note Trust Deed) it shall deem fair and reasonable in all the circumstances. Each such determination or calculation shall be deemed to have been made by the Calculation Agent.

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

(a) *Final Redemption*

Unless previously redeemed and cancelled as provided below, the Class A4 Notes will be finally redeemed on 20 February 2023 (the "**Maturity Date**") at their Principal Amount Outstanding together with any accrued but unpaid interest thereon.

The Issuer may not voluntarily redeem the Class A4 Notes in whole or in part prior to the Maturity Date.

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

(i) Subject as provided below, if 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 Class A4 Notes in accordance with Condition 15 (*Notices*), which Relevant Event Notice shall:

- (A) describe the facts and circumstances of such Relevant Event in reasonable detail;
- (B) refer to this Condition 5(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) and the rights of the holders of the Class A4 Notes hereunder;
- (C) specify a date of redemption of the Class A4 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 Class A4 Notes held by any holder, at the Relevant Event Redemption Amount, 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.
- (ii) 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 5(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) in respect of such Relevant Event.
- (iii) On the Relevant Event Redemption Date, the Relevant Event Redemption Amount of the Class A4 Notes held by each Noteholder who has delivered a Redemption Acceptance Notice (as defined below), together with accrued and unpaid interest thereon to the Relevant Event Redemption Date, shall become due and payable.
- (iv) To accept a redemption offer by the Issuer in respect of a Class A4 Note under this Condition 5(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*), the holder of a Class A4 Note must deliver such Class A4 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 Paying Agent (the "**Redemption Acceptance Notice**"). The Class A4 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 66(e) (*Unmatured Coupons*). 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 Class A4 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 Note Trust Deed, Redemption Acceptance Receipts issued pursuant to this Condition 5(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*) shall be treated as if they were Class A4 Notes.
- (v) For the purposes of this Condition 5(b) (*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:
  - (A) 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
  - (B) at the time of the occurrence of the Concession Event, the Class A4 Notes carry from any Rating Agency either:

- (1) 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; or
- (2) 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
- (3) 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 Class A4 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.

(c) *Redemption at the Option of Noteholders on the occurrence of the Issuer Substitution*

- (i) Subject as provided below, each Noteholder has the option (the "**Issuer Substitution Put Option**") to request the Issuer to redeem the Class A4 Notes it holds (in whole but not in part only) on the Issuer Substitution Redemption Date at the Early Redemption Price, together with accrued and unpaid interest (if any) to (but excluding) the Issuer Substitution Redemption Date.
- (ii) In order to exercise the Issuer Substitution Put Option, the relevant holder of a Class A4 Note shall deliver such Class A4 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 within ninety (90) days following the Issuer Substitution Effective Date (such 90 days period, the "**Issuer Substitution Put Option Exercise Period**") accompanied by a duly signed and completed notice in the form available from each Paying Agent (the "**Issuer Substitution Put Option Notice**"), specifying the number of Class A4 Notes in respect of which the Issuer Substitution Put Option is being exercised.
- (iii) The Class A4 Note shall be delivered to the Paying Agent together with all Coupons, if any, appertaining thereto maturing after the Issuer Substitution Redemption Date, failing which deduction in respect of such missing unmatured Coupons shall be made in accordance with Condition 66(e) (*Unmatured Coupons*). The Paying Agent to which such Issuer Substitution Put Option Notice is delivered will issue to the Noteholder concerned a non-transferable receipt (an "**Issuer Substitution Put Option Notice Receipt**") in respect of the Class A4 Note so delivered. Payment by the Issuer in respect of any Class A4 Note so delivered shall be made, if the holder duly specified in the Issuer Substitution Put Option Notice a bank account to which payment is to be made, by transfer to that bank account on

the Issuer Substitution Redemption Date and, in every other case, on or after the Issuer Substitution Redemption Date against presentation and surrender of such Issuer Substitution Put Option Notice Receipt at the specified office of any Paying Agent. An Issuer Substitution Put Option Notice, once given, shall be irrevocable.

- (iv) On the Issuer Substitution Redemption Date, the Class A4 Notes held by each Noteholder who has delivered an Issuer Substitution Put Option Notice during the Issuer Substitution Put Option Exercise Period shall become due and payable at the Early Redemption Price together with accrued and unpaid interest to the Issuer Substitution Redemption Date.
- (v) The Issuer Substitution Put Option may only be exercised during the Issuer Substitution Put Option Exercise Period and not otherwise.
- (vi) For the purposes of this Condition 5(c), the "**Issuer Substitution Redemption Date**" shall be determined by the Issuer and shall fall after the end of the Issuer Substitution Put Option Exercise Period.

(d) *Notice of Early Redemption*

The Issuer will publish notice of any early redemption of the Class A4 Notes pursuant to this Condition 5 in accordance with Condition 15 (*Notices*), and, if the Class A4 Notes are listed at such time on a regulated market or a multilateral trading facility located in the European Union (which may, without limitation, be the regulated market or the multilateral trading facility of the Luxembourg Stock Exchange, the Irish Stock Exchange or the Italian Stock Exchange), the Issuer will publish such notice on the relevant market, facility or stock exchange's website.

(e) *Purchases*

The Issuer shall not purchase any of the Class A4 Notes.

(f) *Cancellation*

All Class A4 Notes redeemed in full pursuant to this Condition 5 and surrendered to the Issuer will be cancelled upon redemption and surrender, and may not be resold or re-issued.

## 6. **Payments**

(a) *Principal*

Payments of principal shall be made by the Issuer only against presentation and (provided that is made in full) surrender of the Class A4 Notes at the Specified Office of any Paying Agent outside the United States by Sterling cheque drawn on a town clearing branch of, or by transfer to a Sterling account maintained by the payee with, a bank in London.

(b) *Interest*

Payments of interest shall, subject to Condition 6(g) (*Payments other than in respect of matured Coupons*) below, be made by the Issuer only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 6(a) (*Principal*).

(c) *Payments subject to Fiscal Laws*

All payments in respect of the Class A4 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 7 (*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 7 (*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, and the Calculation Agent appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agents, and (subject to the provisions of the Issue and Paying Agency Agreement) the Calculation Agent act solely as agents of the Issuer (or, as provided in the Note Trust Deed, the Note Trustee) 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 Issue and Paying Agency Agreement) of the Note Trustee to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, or the Calculation Agent(s) and to appoint additional or other Paying Agents, *provided that* the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two major European cities so long as the Class A4 Notes are listed on a regulated market or a multilateral trading facility located in the European Union, and (iv) such other agents as may be required by any other stock exchange on which the Class A4 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*

If a Class A4 Note is presented without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (a) as many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph (A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (b) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which

the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 6(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(f) *Non-Business days*

If any date for payment in respect of any Class A4 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 Condition 6(f), "**business day**" means any day (1) on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in the place of presentation and (2) on which the TARGET2 System is open and in the case of payment by transfer to a Sterling account as referred in Condition 6(a) (*Principal*), as a day on which dealings in foreign currencies may be carried on in London.

(g) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Class A4 Notes at the Specified Office of any Paying Agent outside the United States.

(h) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Class A4 Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(i) *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 4 (*Interest and other Calculations*) or Condition 5 (*Redemption, Purchase and Options*), whether by the Calculation Agent, the Paying Agents or the Note Trustee shall (in the absence of manifest error) be binding on the Issuer, all Noteholders and all other creditors of the Issuer and (in the absence of wilful default, fraud or gross negligence) no liability to the Note Trustee, the Noteholders or other creditors of the Issuer shall attach to the Calculation Agent, or the Paying Agents and (in the absence of gross negligence, wilful default or fraud) no liability to the Noteholders or the other creditors of the Issuer shall attach to the Note Trustee in each case in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 4 (*Interest and other Calculations*) or Condition 5 (*Redemption, Purchase and Options*).

## 7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Class A4 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 Class A4 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 (x) by making a declaration of non-residence or other similar claim for exemption or (y) by presenting the relevant Class A4 Note or Coupon to another Paying Agent in a Member State of the European Union and did not do so within the prescribed time period and/or in the prescribed manner; or
  - (ii) is liable to such taxes or duties, assessments or governmental charges in respect of such Class A4 Notes or Coupons by reason of his having some connection with a Relevant Taxing Jurisdiction, other than the mere holding of the Class A4 Note or Coupon; or
  - (iii) is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; 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.

In this Condition 7 and in Condition 8 (*Prescription*) below, the "**Relevant Date**", in respect of a Class A4 Note, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of all Class A4 Notes due and payable on or before that date has not been duly received by the Paying Agents or the Note 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 15 (*Notices*).

## **8. Prescription**

Claims against the Issuer for payment in respect of the Class A4 Notes and Coupons 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.

## **9. Events of Default**

If the Note Trustee determines that any of the following events (each an "**Event of Default**") has occurred and is continuing, then the Note Trustee at its discretion may and, if so requested by holders of at least one-quarter in principal amount of the Class A4 Notes then outstanding or if so directed by an Extraordinary Resolution shall, *provided that* the Note Trustee has been indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Class A4 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 Class A4 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 Class A4 Notes or the Note Trust Deed, the Issue and Paying Agency Agreement and/or the Deed of Assignment and such default (i) is, in the sole opinion of the Note Trustee, incapable of remedy or (ii) being a default which is, in the sole opinion of the Note Trustee, capable of remedy, is not remedied within sixty (60) days (or such longer period as the Note Trustee may agree in writing) after notice of such default shall have been given to the Issuer by the Note Trustee; or

(c) *Cross-Default*

(i) any other present or future Indebtedness (other than Limited Recourse 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 Limited Recourse 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 Limited Recourse Indebtedness) *provided that* no such event shall constitute an Event of Default so long as and to the extent that 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 *provided further that* no Event of Default will be deemed to occur if 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 Limited Recourse Indebtedness, (iii) a Permitted Reorganisation or (iv) any matter described in Condition 9(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 Limited Recourse Indebtedness or any Permitted Encumbrances (which definition, for the purposes of this Condition 9(f) (*Security Enforced*) only, shall exclude any Security created pursuant to the Deed of Assignment)), 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.

**10. Meetings of Noteholders, Modification, Waiver and Substitution**

(a) *Meetings of Noteholders*

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Class A4 Notes, including, without limitation, the modification of any provision of these Conditions.

(b) *Modifications, consents and waivers*

(i) The Note Trust Deed contains provisions according to which the Note Trustee may, without the consent of the holders of the Class A4 Notes at any time agree to any modification (other than in respect of a Reserved Matter) of these Conditions, the Issue and Paying Agency Agreement, the Note Trust Deed, the Deed of Assignment or any other document to which it is a party which is, in the sole opinion of the Note

Trustee, proper to make if, in the sole opinion of the Note Trustee, such modification will not be materially prejudicial to the interests of holders of the Class A4 Notes and to any modification of these Conditions, the Issue and Paying Agency Agreement, the Note Trust Deed, the Deed of Assignment or any other document to which it is a party if, in the sole opinion of the Note Trustee, such modification is of a formal, minor or technical nature or is to correct a manifest error.

- (ii) In addition, the Note Trust Deed contains provisions according to which the Note Trustee may, without the consent of the holders of the Class A4 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 Class A4 Notes, the Note Trust Deed, the Issue and Paying Agency Agreement, the Deed of Assignment 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 Note Trustee, the interests of the holders of the Class A4 Notes will not be materially prejudiced thereby.
- (iii) As long as the Class A4 Notes are rated, the Note Trustee shall be entitled to assume that the interests of the holders of the Class A4 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 Class A4 Notes (if any) would not be adversely affected.
- (iv) Any authorisation, waiver, consent, approval, determination or modification made or given in accordance with these Conditions and the Note Trust Deed shall be binding on the Noteholders or Couponholders and unless the Note Trustee agrees otherwise, any such authorisation, consent, approval, waiver, determination or modification shall be notified to the Noteholders as soon as practicable thereafter.

(c) *Quora and Majorities*

The Note 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 Class A4 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 Class A4 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 Note 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 Class A4 Notes (subject in the case of the Note Trustee 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 Class A4 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 Class A4 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 Class A4 Notes, or (C) in the case of any subsequent meeting following a further adjournment for want of quorum, there are two or more persons present being or representing Noteholders holding at least one third of the aggregate principal amount of the outstanding Class A4 Notes *provided that* (1) the quorum shall always be at least one half of the aggregate principal amount of the outstanding Class A4 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, two or more persons holding or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Class A4 Notes; (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 Class A4 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 Class A4 Notes; or (C) in case of any subsequent meeting following an adjournment for want of quorum (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 Class A4 Notes represented at the meeting and (2) for voting on a Reserved Matter, two or more persons holding or representing Noteholders holding one half of the aggregate principal amount of the outstanding Class A4 Notes; unless a different majority is required pursuant to Article 2369, paragraphs 3 and 6 of 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 Note Trustee be bound to accept to be appointed as Noteholders' Representative.

## 11. Enforcement

Subject to any mandatory provisions of Italian law, at any time after the Class A4 Notes become due and payable in accordance with these Conditions, the Note 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 Note Trust Deed, the Class A4 Notes and the Coupons and the Deed of Assignment, 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 any of the provisions of the Class A4 Notes, the

Note Trust Deed and/or the Deed of Assignment, unless the Note Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**12. Indemnification of the Note Trustee**

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

**13. Replacement of Class A4 Notes and Coupons**

If a Class A4 Note or Coupon 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 Luxembourg or such other Paying Agent 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 Class A4 Note or Coupon 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 Class A4 Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Class A4 Notes or Coupons must be surrendered before replacements will be issued.

**14. Note Trustee Protections**

In connection with the exercise of its functions, rights, powers, trusts, authorities and discretions (including but not limited to any modification, consent, waiver or authorisation) under these Conditions, the Note Trust Deed, the Issue and Paying Agency Agreement or the Deed of Assignment, the Note 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 Note Trustee, nor to require the Note 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.

**15. Notices**

- (a) Notices to the holders of Class A4 Notes shall be valid if (i) so long as the Class A4 Notes are listed on the Luxembourg Stock Exchange or the Irish Stock Exchange or the Italian Stock Exchange, published, as the case may be, on the Luxembourg Stock Exchange's website (<https://www.bourse.lu/home>) or on the Irish Stock Exchange's website (<https://www.ise.ie>) or, to the extent required by its rules and regulations, on the Italian Stock Exchange's website (<https://www.www.borsaitaliana.it>), or any substitute website; (ii) delivered through Euroclear, Clearstream; and (iii) published on AdR's website (<https://www.adr.it>). Any such notice shall be deemed to have been given on the date of publication on the applicable website or, as the case may be, delivery to Euroclear and/or Clearstream, as applicable.
- (b) If in the opinion of the Note 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.
- (c) Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Class A4 Notes in accordance with this Condition 15 (*Notices*).

## 16. European Economic and Monetary Union

- (a) *Notice of redenomination:* If the United Kingdom becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders and Couponholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents and having notified the Note Trustee prior to the provision of such notice, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Class A4 Notes denominated in sterling falling on or after the date on which the United Kingdom becomes a Participating Member State.
- (b) *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:
- (i) the Class A4 Notes denominated in sterling shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each the Class A4 Note equal to the principal amount of that the Class A4 Note in sterling, converted into euro at the rate for conversion of such currency into euro established by the Council of European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines that market practice in respect of the redenomination into euro 0.01 on internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market place and the Issuer shall promptly notify the Noteholders and Couponholders, each listing authority, stock exchange and/or quotation system (if any) by which the Class A4 Notes have been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;
  - (ii) if the Class A4 Notes denominated in sterling have been issued in definitive form:
    - (A) all unmatured Coupons denominated in sterling (whether or not attached to the Class A4 Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (provided that such Notes and Coupons are available) and no payments will be made in respect thereof;
    - (B) the payment obligations contained in all Class A4 Notes denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 16) shall remain in full force and effect; and
  - (iii) new Class A4 Notes and Coupons denominated in euro will be issued in exchange for Class A4 Notes and Coupons denominated in sterling in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
  - (iv) all payments in respect of the Class A4 Notes (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in by euro cheque drawn on, or by credit or transfer to a euro account (or other account to which euro may be credited or transferred) maintained by the payee with, a bank in a country in a city in which banks have access to the TARGET2 System.
- (c) *Interest:* Following redenomination of the Class A4 Notes pursuant to this Condition 16, where Class A4 Notes have been issued in definitive form, the amount of interest due in

respect of the Class A4 Notes will be calculated by reference to the aggregate principal amount of the Class A4 Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by each relevant holder.

**17. Contracts (Rights of Third Parties) Act 1999**

Other than as specified therein, no person shall have any right to enforce any term or condition of the Class A4 Notes, the Coupons, the Note Trust Deed, the Issue and Paying Agency Agreement or the Deed of Assignment under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

**18. Governing Law and Jurisdiction**

(a) *Governing Law*

The Note Trust Deed, the Class A4 Notes, the Coupons, the Issue and Paying Agency Agreement and the Deed of Assignment (and any non-contractual obligations arising out of or in connection therewith) are governed by, and shall be construed in accordance with, English law, subject to any mandatory provisions of Italian law. Condition 10 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and the provisions of the Note Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholder's Representative in respect of the Class A4 Notes are subject to compliance with the laws of the Republic of Italy.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Note Trust Deed, the Class A4 Notes, the Coupons, the Issue and Paying Agency Agreement or the Deed of Assignment and accordingly any legal action or proceedings arising out of or in connection with the Note Trust Deed, the Class A4 Notes, the Coupons, the Issue and Paying Agency Agreement or the Deed of Assignment ("**Proceedings**") may be brought in such courts. The Issuer has in the Note Trust Deed, the Issue and Paying Agency Agreement and the Deed of Assignment 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.

**19. Defined Terms**

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

"**2012 Total Assets**" means the "Invested Capital" shown under line "E" in table 2 of the reclassified consolidated financial statements of AdR and its subsidiaries for the financial year ended 31 December 2012 referred to under sub-paragraph (c)(x) of Clause 20.3 (*Negative Pledge*) of the €250,000,000 revolving credit facility agreement dated 16 December 2013, as amended and supplemented, made between AdR and a pool of financial institution;

"**Actual/Actual-ICMA**" means:

- (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;

"**AdR**" shall have the meaning set out in the introductory paragraphs;

"**Benchmark Gilt**" means, in respect of the Class A4 Notes, the 8% UK Treasury Stock due 2021.

"**Agents**" shall have the meaning set out in the introductory paragraphs;

"**Bond Yield**" means the rate per annum equal to the annual yield to maturity of (in the event that the Class A4 Notes are redenominated into euro pursuant to Condition 16) euro denominated European Government Securities (Bonds) having a maturity coterminous with the remaining term of the Class A4 Notes (the "**Comparable Bond**"), assuming a price equal to the Comparable Bond Price for the Reference Date;

"**Business Day**" means a day (other than a Saturday or Sunday) that is a TARGET2 Settlement Day and on which commercial banks and foreign exchange markets settle payments generally in London, Rome and Milan.

"**Calculation Agents**" shall have the meaning set out in the introductory paragraphs;

"**Calculation Period**" shall have the meaning set out in the definition of Day Count Fraction;

"**Clearstream**" means Clearstream Banking, S.A.;

"**Comparable Bond**" means the Benchmark Gilt;

"**Comparable Bond Price**" means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of such Reference Bond Dealer Quotations;

"**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;

"**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.

"**Conditions**" shall have the meaning set out in the introductory paragraphs;

"**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;

"**Couponholders**" shall have the meaning set out in the introductory paragraphs;

"**Coupons**" shall have the meaning set out in the introductory paragraphs;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Class A4 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**") Actual/Actual-ICMA.

"**Deed of Assignment**" shall have the meaning set out in the introductory paragraphs;

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

"**Determination Date**" means the Interest Payment Date;

"**Early Redemption Price**" means, in respect of Class A4 Notes, an amount equal to the higher of:

- (1) their Principal Amount Outstanding; and
- (2) (i) as long as the Class A4 Notes are denominated in Sterling, the price determined to be appropriate by a financial adviser in London (selected by the Issuer and approved by the Note Trustee) as being the price at which the Gross Redemption Yield (as defined below) on such Class A4 Notes on the Reference Date is equal to the Gross Redemption Yield at 3.00 p.m. (London time) on the Reference Date on the Benchmark Gilt while that stock is in issue, and thereafter such UK government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Note Trustee) determine to be appropriate; or
- (ii) if for any reason such Class A4 Notes are redenominated into euro pursuant to Condition 16, the Yield Maintenance Amount,

plus in each case, any accrued but unpaid interest on the Principal Amount Outstanding;

"**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**" means the lawful currency of the Participating Member States;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Event of Default**" shall have the meaning set out in Condition 9 (*Events of Default*);

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

"**FATCA**" shall have the meaning set out in Condition 66(c) (*Payments subject to Fiscal Laws*);

"**Gross Redemption Yield**" means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the United Kingdom Debt Management Office publication "*Formulae for Calculating Gilt Prices from Yields*" published on 8 June 1998 with effect from 1 November 1998, page 4;

"**Group**" means AdR and its consolidated Subsidiaries from time to time;

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

"**Interest Commencement Date**" means the Issue Date;

**"Interest Payment Dates"** means 20 June and 20 December in each year. The first Interest Payment Date following the Issuer Substitution is on 20 June 2016 and the last Interest Payment Date will fall on 20 February 2023;

**"Interest Period"** means each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

**"Issue and Paying Agency Agreement"** shall have the meaning set out in the introductory paragraphs;

**"Issue Date"** shall have the meaning set out in the introductory paragraphs;

**"Issuer"** means the principal and sole debtor and obligor under the Class A4 Notes, namely:

- (i) up to (but excluding) the Issuer Substitution Effective Date, Romulus; and
- (ii) from (and including) the Issuer Substitution Effective Date, AdR;

**"Issuer Substitution"** shall have the meaning set out in the introductory paragraphs;

**"Issuer Substitution Effective Date"** means 20 March 2016;

**"Issuer Substitution Put Option"** shall have the meaning set out in Condition 55(c) (*Redemption at the Option of Noteholders on the Occurrence of the Issuer Substitution*);

**"Issuer Substitution Put Option Exercise Period"** shall have the meaning set out in Condition 55(c) (*Redemption at the Option of Noteholders on the Occurrence of the Issuer Substitution*);

**"Issuer Substitution Put Option Notice"** shall have the meaning set out in Condition 55(c) (*Redemption at the Option of Noteholders on the Occurrence of the Issuer Substitution*);

**"Issuer Substitution Put Option Notice Receipt"** shall have the meaning set out in Condition 55(c) (*Redemption at the Option of Noteholders on the Occurrence of the Issuer Substitution*);

**"Issuer Substitution Redemption Date"** shall have the meaning set out in Condition 55(c) (*Redemption at the Option of Noteholders on the Occurrence of the Issuer Substitution*);

**"Issuer Transaction Documents"** means the Note Trust Deed, the Issue and Paying Agency Agreement and the Deed of Assignment;

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

**"Limited Recourse Indebtedness"** means any Indebtedness incurred and/or guaranteed by one or more members of the Group (the "**Relevant Persons**") to finance or refinance a Limited Recourse Transaction in respect of which:

- (a) the claims of the relevant creditor(s) against the Relevant Persons are limited to (i) an amount equal to the cash flows from such Limited Recourse Transaction and/or (ii) an amount equal to the proceeds deriving from the enforcement of any Security taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and
- (b) the relevant creditor(s) has no recourse against the assets of the Issuer or any Material Subsidiary other than (i) the Limited Recourse Transaction and the Security (if any) taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness and/or (ii) a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof);

**"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 55(a) (*Final Redemption*);

**"Maximum Secured Amount"** means an amount equal to 5% of the lower of (x) the consolidated assets of AdR and (y) the 2012 Total Assets, where for the purpose of this definition only, **"consolidated assets"** means the consolidated assets of AdR (as disclosed in the most recent annual audited and unaudited semi-annual consolidated balance sheet of AdR) referred to under paragraph (ix) of the definition of "Permitted Encumbrance" in the conditions of the €600,000,000 3.250 per cent. Notes due 20 February 2021 (ISIN XS01004236185) issued by AdR on 10 December 2013;

**"Note Trust Deed"** shall have the meaning set out in the introductory paragraphs;

**"Note Trustee"** shall have the meaning set out in the introductory paragraphs;

**"Notes"** shall have the meaning set out in the introductory paragraphs;

**"Noteholder"** shall have the meaning set out in Condition 1 (*Form, Denomination and Title*);

**"Noteholders Representative"** has the meaning given it in the Note Trust Deed;

**"Original Facilities Agreement"** means the senior term loan and working capital facilities agreement dated 2 August 2001 originally entered into by AdR with, amongst others, Mediobanca – Banca di Credito Finanziario S.p.A. as the facility agent and the banks listed therein as subsequently amended and restated by the Euro 1,265,018,896 amended and restated senior term loan facilities dated the Issue Date, as last amended and restated on 12 February 2016.

**"Participating Member State"** means a Member State of the European Community which adopts the euro as its lawful currency in accordance with the Treaty establishing the European Community (as amended) and **"Participating Member States"** means all of them.

**"Paying Agent"** shall have the meaning set out in the introductory paragraphs;

**"Permitted Encumbrance"** means:

- (i) any lien arising by operation of law or required by the Concession;
- (ii) any Security in existence on the Effective Date;
- (iii) in the case of any Person which becomes a Subsidiary of any member of the Group after the Issue Date, 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, 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 arising under or in connection with the Security Documents;
- (vi) any Security arising under or in connection with Limited Recourse Indebtedness (including, for the avoidance of doubt, any Security created over receivables, contracts, bank accounts or other assets of AdR securing Limited Recourse Indebtedness);
- (vii) 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;

- (viii) any Security securing Relevant Debt created in substitution of any Security permitted under paragraphs (i) to (vii) 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
- (ix) any Security other than Security permitted under paragraphs (i) to (viii) 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, does not exceed in aggregate ten per cent. (10%) of the consolidated assets of AdR (as disclosed in the most recent annual audited and unaudited semi-annual consolidated balance sheet of AdR);

**"Permitted Reorganisation"** means:

- (a) in relation to any Material Subsidiary:
  - (i) any:
    - (A) "*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
    - (B) 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
    - (C) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or
    - (D) 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
  - (ii) 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:
  - (i) any
    - (A) "*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
    - (B) 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

(C) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or

(D) 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 Class A4 Notes;

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

**"Principal Amount Outstanding"** means, on any day in relation to a Class A4 Note, the principal amount of that Class A4 Note upon issue less the aggregate amount of any principal payments in respect of that Class A4 Note which have become due and payable and have been paid on or prior to that day;

**"Principal Paying Agents"** shall have the meaning set out in the introductory paragraphs;

**"Proceedings"** shall have the meaning set out in Condition 18 (*Governing Law and Jurisdiction*);

**"Rate of Interest"** means 5.441 per cent. per annum;

**"Rating Agency"** means Moody's Investors Service Inc. or Fitch Ratings Ltd, or any of their respective successors;

**"Redemption Acceptance Notice"** shall have the meaning set out in Condition 55(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*);

**"Redemption Acceptance Receipt"** shall have the meaning set out in Condition 55(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*);

**"Reference Bond Dealer"** means any credit institution or financial services institution that regularly deals in bonds and other debt securities;

**"Reference Bond Dealer Quotations"** means the average, as determined by the Calculation Agent of the bid and ask prices for the Comparable Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent by such Reference Bond Dealer at 11:00 am CET time on the Reference Date;

**"Reference Date"** means the date which is two Business Day(s) prior to the Issuer Substitution Effective Date.

**"Relevant Date"** means the earlier of (a) the date on which all amounts in respect of the relevant Class A4 Note have been paid, and (b) seven days after the date on which all of the Principal Amount Outstanding together with all other amounts due in respect of the relevant Class A4 Notes up to such seventh day has been received by the Principal Paying Agent (except to the extent that there is any subsequent default in payment), as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

**"Relevant Debt"** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;

- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

**"Relevant Event"** shall have the meaning set out in Condition 55(b) (*Redemption at the Option of Noteholders on the Occurrence of a Relevant Event*);

**"Relevant Event Redemption Amount"** means, in respect of each Class A4 Note, 100 per cent. of the Principal Amount Outstanding of such Class A4 Note;

**"Relevant Swap Transaction(s)"** means:

- (a) the cross-currency swap transaction originally entered into by Romulus and Ambac Financial Services L.P. ("**AFS**") on or about the Issue Date and subsequently novated in part to Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") pursuant to a novation agreement dated 18 March 2010 and as subsequently novated pursuant to a novation confirmation dated 15 March 2016 (effective from the Issuer Substitution Effective Date) between Romulus (as transferor), AdR (as transferee) and Mediobanca (as remaining party); and
- (b) the cross-currency swap transaction originally entered into by Romulus and AFS on or about the Issue Date and subsequently novated in part to UniCredit S.p.A. ("**UniCredit**") pursuant to a novation agreement dated 18 March 2010 and as subsequently novated pursuant to a novation confirmation dated 15 March 2016 (effective from the Issuer Substitution Effective Date) between Romulus (as transferor), AdR (as transferee) and UniCredit (as remaining party).

With effect from the Issuer Substitution Effective Date, the Relevant Swap Transactions have been novated from Romulus to AdR as issuer of the Class A4 Notes;

**"Relevant Taxing Jurisdiction"** shall have the meaning set out in Condition 7 (*Taxation*);

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes or Coupons, to change the amount of principal or interest payable on any date in respect of the Notes or Coupons 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;
- (b) to effect the exchange, conversion or substitution of the Notes or Coupons for, or the conversion of the Notes or Coupons into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change or waive any provision set out in Condition 3 (*Negative Pledge*) and any definition directly or indirectly used therein;
- (e) to release and re-assign the security constituted by the Deed of Assignment save for the release and re-assignment of such security at the Maturity Date which shall occur without the need for any further consent;
- (f) to change or waive any Event of Default and any definition directly or indirectly used therein;

- (g) affecting any matter of common interest of the Noteholders;
- (h) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (i) to amend this definition;

"**Romulus**" means Romulus S.r.l., a limited liability company incorporated under the laws of Italy;

"**Security**" means any mortgage, charge, pledge, lien or other form of encumbrance or security interest.

"**Security Documents**" means the Deed of Assignment;

"**Secured Obligations**" means any and all present and future monies, obligations and liabilities of AdR to holders of the Class A4 Notes and to the Note Trustee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Note Trust Deed, the Class A4 Notes or the Deed of Assignment, together with all interest (including, without limitation, default interest) accruing in respect of such monies, obligations or liabilities, *provided that* the aggregate amount of such monies, obligations and liabilities secured by the Deed of Assignment (together with all legal and other costs, charges and expenses which the Note Trustee or any delegate or attorney appointed pursuant to Clauses 9 (*Delegation*) and 12 (*Power of attorney*) thereto may incur in enforcing the Security thereunder) shall not at any time exceed the Maximum Secured Amount;

"**Specified Denominations**" means £100,000 and integral multiples of £1,000 in excess thereof;

"**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;

"**TARGET2 Settlement Day**" means any day on which the TARGET2 System is open;

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto; and

"**Yield Maintenance Amount**" means the present value of all future scheduled payments of principal and interest due under the Class A4 Notes discounted at an interest rate per annum equal to the Bond Yield on the Reference Date.