

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY PERSON LOCATED  
OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE  
THIS DOCUMENT**

**ATLANTIA S.p.A.**

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

**Registered office: Via Antonio Nibby, 20, 00161 Rome, Italy**

**Rome Companies' Registry number: 03731380261**

**Share capital: EUR 825,783,990.00**

**EXPLANATORY NOTE**

relating to the

**MEETING OF NOTEHOLDERS**

of

**the outstanding €75,000,000 3.625 per cent. Senior Notes due 9 June 2038**

**ISIN: XS1024746353 Common Code: 102474635**

**guaranteed by Autostrade per l'Italia S.p.A.**

*(incorporated as a joint stock company in the Republic of Italy)* (“**ASPI**” or the “**Guarantor**”)

(the “**Notes**”)

This explanatory note (the “**Explanatory Note**”) has been prepared by the board of directors of Atlantia S.p.A. (“**Atlantia**” or the “**Issuer**”) for the purpose of the meeting of the holders of the Notes (the “**Meeting**” and the “**Noteholders**”, respectively) convened, pursuant to the provisions of Schedule 3 to the trust deed constituting the Notes dated 30 October 2013 (as amended and/or restated, the “**Trust Deed**”) made between the Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited as trustee (the “**Trustee**”), to be held on 14 December 2016 at 2.00 p.m. (CET) as a single call meeting, at the offices of the Issuer at Via Alberto Bergamini, 50 00159 Rome, Italy for the purpose of considering the matters set out under the heading entitled “*Agenda*” below and, if thought fit, passing the following resolution which will be proposed as an extraordinary resolution (the “**Extraordinary Resolution**”) in accordance with the provisions of the Trust Deed.

**AGENDA**

To approve an Extraordinary Resolution in accordance with the provisions of the Trust Deed and the terms and conditions of the Notes attached thereto (the “**Conditions**”), in order to, among other things:

- a) approve the implementation of the Transfer (as defined in the Extraordinary Resolution below); and
- b) amend certain provisions of the Trust Deed and the Conditions.

Terms defined in the Trust Deed, the Conditions or the Notice are used herein as so defined.

Notice of the Meeting (the “**Notice**”) has been published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the “Investor Relations” section of the Issuer’s website ([www.atlantia.it](http://www.atlantia.it)) and has been distributed to the Noteholders through the systems of Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*. An extract from the Notice will be published in Italian in “*Il Sole 24 Ore*” on 11 November 2016.

## **Background and Reasons for the Meeting**

### ***Background and History of the Atlantia and ASPI Programmes***

Atlantia is the holding company of (a) ASPI and its subsidiaries, which currently conduct the toll motorway business in Italy and (for the time being) abroad (the “**Motorway Business**”) of the Atlantia group (the “**Group**”) and (b) Aeroporti di Roma S.p.A. and its subsidiaries, which conduct the Group’s airport management business.

For historical reasons, the funding of ASPI was originally conducted on an indirect basis through Atlantia. The Atlantia €10,000,000,000 Euro Medium Term Note Programme (the “**Atlantia Programme**”) was established in 2004, and updated regularly until 2013. Until 2012, only publicly listed companies could issue notes without withholding tax being applicable. As a result, Atlantia funded ASPI through note issuances of Atlantia followed by inter-company loans from Atlantia to ASPI to transfer the proceeds of the notes to ASPI.

To avoid that the notes issued under the Atlantia Programme be structurally subordinated to ASPI’s loan facilities, an upstream guarantee was provided by ASPI in favour of notes issued under the Atlantia Programme which ranked *pari passu* with ASPI’s loan facilities and the other ASPI creditors.

In 2012, the *Decreto Sviluppo* (Decree no. 83 of 22 June 2012, as subsequently amended) permitted the issuance of debt securities by an unlisted Italian company such as ASPI.

In October 2014, ASPI established the ASPI Euro Medium Term Note Programme (the “**ASPI Programme**”) and commenced issuing debt directly with no guarantee or other credit support from Atlantia. Since the establishment of the ASPI Programme, ASPI has issued notes in the aggregate principal amount of €1.9 billion. After 2013, Atlantia stopped updating the Atlantia Programme.

Atlantia has also established a new, separate, EMTN programme (the “**New Atlantia Programme**”) in its capacity as the holding company of the Group. The New Atlantia Programme does not benefit from an ASPI guarantee, so notes issued thereunder will be structurally subordinated to all series of Private Notes and Public Notes (as defined below) both before and after the Transfer (as defined below).

### ***Rationale for the Transfer***

Atlantia proposes to transfer from Atlantia to ASPI all six series of the notes issued under the Atlantia Programme on a private placement basis (the “**Private Notes**”, which includes the Notes) for which Atlantia will require the consent of the holder(s) of all series of Private Notes, including the holders of the Notes, on the terms described herein (the “**Transfer**”). The Transfer forms part of Atlantia’s plan to “ring fence” the debt of ASPI by 2025.

Atlantia’s intention is to execute the Transfer by way of amendments to each series of Private Notes, including:

- (i) the substitution of Atlantia as issuer by ASPI;
- (ii) the provision of a guarantee from Atlantia from the date of the Transfer until all amounts are paid in respect of the final series of the Public Notes (as defined below) still outstanding (which is expected to be in September 2025) (the “**Atlantia Guarantee**”); and

- (iii) various other changes to align the terms and conditions of the Private Notes more closely with those of the notes issued recently under the ASPI Programme, including to the cross default provision.

The amendments will permit ASPI to have substantially the same terms and conditions across all notes after 2025.

The Transfer forms part of a wider debt reorganisation plan, which also involves the seven series of notes issued under the Atlantia Programme in public syndicated transactions (the “**Public Notes**”) which would be transferred from Atlantia to ASPI through an issuer substitution process conducted under the terms of the relevant trust deeds (the “**Public Notes Issuer Substitution**”). This process also involves the provision of a guarantee from Atlantia but will not require noteholder consent.

It is the Group’s policy that in future the financing of its Italian Motorway Business be entirely “ring fenced”.

In order to achieve a “ring fenced” financing structure for ASPI, Atlantia would need to transfer all the notes issued under the Atlantia Programme (including the Notes) to ASPI without an Atlantia Guarantee.

Atlantia has concluded that immediate “ring fencing” is not possible. Consequently, Atlantia has decided to implement a “ring fenced” financing structure in two phases. In the first phase, which is expected to last until September 2025 (when all amounts are paid in respect of the final series of Public Notes still outstanding), Atlantia would transfer all Private Notes, including the Notes, to ASPI. ASPI would therefore assume Atlantia’s obligations as issuer under the Private Notes and Atlantia would be released from its obligations as issuer under the Private Notes, but would concurrently provide the Atlantia Guarantee. In the second phase, the Atlantia Guarantee would fall away.

Thereafter ASPI will therefore have achieved a “ring-fenced” financing structure.

### **Implications for Investors of the Private Notes**

After the Transfer and prior to the maturity of the final series of Public Notes, holders of all series of Private Notes, including the Notes, will benefit from the Atlantia Guarantee which means that their credit profile will be unchanged compared to the current position with the issuer and the guarantor swapping roles. Thereafter, the Atlantia Guarantee will fall away.

In terms of financial contribution to the Group, ASPI represents a substantial majority of the assets of the Group and generates the substantial majority of its EBITDA. Based on Atlantia’s consolidated financial statements as of 31 December 2015, the ASPI Group accounts for 67.348% of the Group’s assets and 85.3% of the Group’s EBITDA.

So, even if the Atlantia Guarantee were to fall away today, holders of the Private Notes (including the Notes) would continue to have the benefit of a significant percentage of the Group’s cashflow to fund payments of interest under the notes, and a similar pool of assets in the event of an insolvency.

As regards competing claims for the assets of Atlantia, holders of Private Notes and Public Notes will rank *pari passu*. In addition, holders of Private Notes will not be subordinated to notes issued by ASPI under the ASPI programme because ASPI noteholders do not have any right of recourse against Atlantia.

Finally, at the same time as the Transfer, Atlantia intends to arrange for the listing of those series of Private Notes which are currently unlisted on the regulated market of the Irish Stock Exchange and, if necessary, the re-listing of those series of Private Notes which are already listed.

### **Description of the Most Relevant Changes to the Terms and Conditions**

Atlantia's proposal is that the terms and conditions of the Private Notes, including the Notes, be amended and updated to align the substance of those terms and conditions with those applicable to notes issued under the ASPI Programme, as most recently updated on 27 October 2016 (the "New Ts & Cs").

The New Ts & Cs are the product of a series of changes made over the years in later updates of the Atlantia Programme and as part of the establishment of the ASPI Programme. Set forth below is a summarised list of certain of the differences between the New Ts & Cs and the existing terms and conditions of the Private Notes which Noteholders might consider to be important:

- a) Negative Pledge – "Relevant Debt" specifically excludes "Project Finance Indebtedness", meaning that ASPI can issue and secure project bonds without breaching the covenant. This is not a major change because security interests securing "Project Finance Indebtedness" had previously formed a category of "Permitted Encumbrance". Some changes have been made to the definitions of "Project Finance Indebtedness" and "Project", while the "Project Company" and "Project Completion Date" definitions have been removed altogether.
- b) Noteholder Put Option – the put option available to noteholders upon the termination or revocation of the main ASPI concession, or upon the occurrence of certain other events, will fall away once there are no more Atlantia notes outstanding.
- c) Cross-Default – "Project Finance Indebtedness" has been carved out from the New Ts & Cs regardless of the Group company which may have issued it. In addition, the clause will be amended so as to apply in the event of a default by ASPI, Atlantia or ASPI's material subsidiaries (for as long as the Atlantia Guarantee is in place).
- d) Other Events of Default - the same carve out applies to the enforcement proceedings and security enforced events of default. In addition, nationalisation, authorisation and consents and illegality have all been deleted from the events of default, bringing ASPI into line with other investment grade corporate issuers.
- e) Permitted Reorganisation – this definition is broader than it was previously, giving ASPI a little more flexibility regarding future corporate reorganisations. In particular, it now includes any sale, transfer, lease, exchange or disposal of the whole of a Material Subsidiary's business, or a part of the Issuer's business, provided that (i) the sale (etc) is made on arm's length terms and (ii) the group continues to carry on the whole or substantially the whole of the ASPI business (excluding that of its subsidiaries) thereafter.
- f) Noteholder Meeting Provisions – These have been updated in line with developments in market practice and the Italian Civil Code.

\*\*\*

Atlantia wishes to obtain the approval of the implementation of the Transfer and amend certain provisions of the Trust Deed and the Conditions in order to provide Atlantia with more flexibility in how it manages its business, in particular as regards financial management generally and the ring-fencing of indebtedness raised by different business areas.

Atlantia notes that the passing of the Extraordinary Resolution shall be conditional upon the passing of equivalent extraordinary resolutions by the holders of certain other series of Private Notes in addition to the Notes.

### **Extraordinary Resolution**

In light of the above, Atlantia has convened the Meeting in order for Noteholders to consider and if thought fit approve the following resolution which will be proposed as an Extraordinary Resolution:

“THAT this meeting (the “**Meeting**”) of the holders (the “**Noteholders**”) of the outstanding €75,000,000 3.625 per cent. Senior Notes due 9 June 2038 of Atlantia S.p.A. (“**Atlantia**”) (ISIN: XS1024746353 Common Code: 102474635) (the “**Notes**”) issued under its €10,000,000,000 Euro Medium Term Note Programme guaranteed by Autostrade per l’Italia S.p.A. (the “**Guarantor**”) constituted by a trust deed dated 30 October 2013 (the “**Trust Deed**”) between Atlantia as Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited as trustee (the “**Trustee**”) for the Noteholders HEREBY:

1. authorises the Trustee, the financial advisers of the Issuer, the Guarantor and the Trustee and the legal counsel to the Issuer, the Guarantor and the Trustee to attend and speak at this Meeting;
2. sanctions and approves the implementation of the Transfer (as defined in the explanatory note dated 11 November 2016 prepared by the board of directors of Atlantia and addressed to the Noteholders (the “**Explanatory Note**”)) in so far as it relates to the Notes;
3. assents to the amendment of the Trust Deed by way of supplemental trust deed in the manner set out in the draft of the supplemental trust deed which, if this Extraordinary Resolution is duly passed, will be entered into between the Trustee, Atlantia and the Guarantor to amend the terms and conditions of the Notes attached thereto (the “**Conditions**”) and effect certain other amendments to the Trust Deed in connection with the Transfer (the “**Supplemental Trust Deed**”), the draft of the Supplemental Trust Deed being substantially in the form submitted to the Meeting;
4. assents to the amendment of the Agency Agreement by way of supplemental agency agreement in the manner set out in the draft of the supplemental agency agreement which, if this Extraordinary Resolution is duly passed, will be entered into between, among others, the Trustee, Atlantia and the Guarantor to amend the terms of the Agency Agreement in connection with the Transfer (the “**Supplemental Agency Agreement**”), the draft of the Supplemental Agency Agreement being substantially in the form submitted to the Meeting;
5. authorises, sanctions, directs, requests, instructs and empowers the Trustee to concur with the amendments referred to in paragraphs 3 and 4 of this Extraordinary Resolution and, in order to give effect to and to implement such modifications, on or shortly after the passing of this Extraordinary Resolution, subject to it being indemnified and/or secured to its satisfaction, to execute the Supplemental Trust Deed and Supplemental Agency Agreement in the form of drafts produced to this Meeting and signed by the Chairman of this Meeting for the purpose of identification, with such amendments (if any) thereto as the Trustee may deem appropriate in its absolute discretion;
6. assents to the listing or re-listing of the Notes, as the case may be, and the preparation of, and entry into of, any documentation in relation thereto which the Central Bank of Ireland or the Irish Stock Exchange may require to be prepared in accordance therewith;
7. authorises, sanctions, directs, requests, instructs and empowers the Trustee in its absolute discretion to concur with, and to execute and do, all such deeds, instruments, acts and things as may be necessary to carry out and give effect to this Extraordinary Resolution;
8. waives any claim that the Noteholders may have against the Trustee arising as a result of any loss or damage which the Noteholders may suffer or incur as a result of the Trustee taking any action in accordance with this Extraordinary Resolution and the Noteholders further confirm that they will not seek to hold the Trustee liable for any such loss or damage;
9. discharges and exonerates the Trustee from all liabilities for which it may have become or may become responsible under the Trust Deed or the Notes in respect of any act or omission in connection with this Extraordinary Resolution or its implementation, the amendments and

modifications referred to in paragraphs 3 and 4 of this Extraordinary Resolution or the implementation of those amendments and such release;

10. acknowledges that capitalised terms used in this Extraordinary Resolution and not otherwise defined have the same meanings as given to them in or pursuant to the Trust Deed; and
11. sanctions and assents to every abrogation, amendment and modification, compromise or arrangement in respect of the rights of the Noteholders against Atlantia or against any of its/their property whether such rights shall arise under the Trust Deed, or otherwise involved in or resulting from the Transfer, this Extraordinary Resolution or their implementation and/or the amendments and modifications to the Trust Deed or their implementation (in the manner set out in the draft Supplemental Trust Deed).”

11 November 2016

ATLANTIA S.p.A.

The Chairman of the Board of Directors

(dott. Fabio Cerchiai)