

Base Prospectus dated 19 May 2014



Cassa depositi e prestiti S.p.A.
(incorporated with limited liability in the Republic of Italy)

Euro 13,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Cassa depositi e prestiti S.p.A. (the "**Issuer**" or "**CDP**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of the Notes outstanding will not at any time exceed Euro 13,000,000,000 (or its equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

The Notes issued under this Programme may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (as defined under "General Description of the Programme") save that the minimum denomination of the Notes will be Euro 1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). The Notes may be issued on a continuing basis to one or more of the Dealers specified hereunder and any additional Dealer appointed under the Programme from time to time by the Issuer (each a Dealer and together the Dealers), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as the competent authority under the Luxembourg Act dated 10 July 2005 on prospectus for securities, for the purpose of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act dated 10 July 2005, as amended, on prospectus for securities. Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of the Luxembourg Stock Exchange (a regulated market for the purposes of Directive 2004/39/EC). Application may also be made for notification to be given to competent authorities in other Member States of the European Economic Area in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 18 of the Prospectus Directive.

References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, or to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further stock exchanges, markets and/or quotation systems as may be agreed between the Issuer and the relevant Dealer.

Notes will be issued by the Issuer to raise funds for general funding purposes of the Issuer.

The Notes will be issued in series (each, a "**Series**") and each Series may be issued in one or more tranches (each, a "**Tranche**"). The terms of each Series will be set forth in the relevant Final Terms prepared in relation thereto in accordance with the provisions of this Base Prospectus.

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

An investment in Notes issued under this Programme involves certain risks. For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled "Risk Factors" of this Base Prospectus.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set out in a final terms document (the "**Final Terms**") which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy ("**Monte Titoli**"), for the account of the relevant Monte Titoli Account Holders. The expression "Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58, as subsequently amended and supplemented ("**Legislative Decree No. 58**") and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Regulation**"). The Noteholders may not require physical delivery of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-quinquies and 83-sexies of Legislative Decree No. 58.

The Programme is, as of the date of this Base Prospectus, rated BBB+ by Fitch Ratings Ltd. ("**Fitch Ratings**"), Baa2 by Moody's Investor Service Limited ("**Moody's**"), and BBB by Standard and Poor's Rating Services ("**S&P**"). Each of Fitch Ratings, Moody's and S&P is established in the EEA and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"), and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Notes issued under the Programme may be rated by any one or more of the rating agencies referred to above, or unrated. In certain circumstances, the rating of the Notes may be higher than the rating of the Programme. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Joint Arrangers

Cassa depositi e prestiti S.p.A.

Barclays

Dealers

Banca IMI
Barclays
BofA Merrill Lynch
BNP PARIBAS
Citigroup
Commerzbank
Crédit Agricole CIB
Credit Suisse

Deutsche Bank
HSBC
J.P. Morgan
Morgan Stanley
MPS Capital Services
Nomura
Société Générale Corporate & Investment Banking
UBS Investment Bank

UniCredit Bank

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IMPORTANT INFORMATION RELATING TO THE USE OF THE BASE PROSPECTUS

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Final Terms

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as supplemented by the Final Terms.

Other relevant information

This Base Prospectus should be read and construed together with any supplements hereto and with any documents incorporated by reference herein (see "Documents Incorporated by Reference" below) on the basis that such documents are incorporated by reference in and form part of this Base Prospectus, and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each Investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers to any person to subscribe for or to purchase any Notes.

The Issuer has confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes, the "Offer to the Public") not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the

distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Neither this Base Prospectus or any supplement thereto nor any Final Terms (or any part thereof) constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Suitability of the Notes as an investment

The Notes may not be a suitable investment for all investors. Each potential Investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 13,000,000,000 (and for this purpose, any Notes denominated in another currency shall be converted into Euro at the date of the agreement to issue such Notes in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement, as defined under "Subscription and Sale". In the event of increase of the original maximum amount of the Programme as set out herein, the Issuer shall prepare a supplement to the Base Prospectus.

Presentation of information

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are to a Member State of the European Economic Area, references to "**Euro**" "**Eur**" or "**€**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "**£**" or "**Sterling**" are to the currency of the United Kingdom.

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

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days

after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
A.1	Introduction and Warnings:	• <i>this summary should be read as introduction to the prospectus;</i> • <i>any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor;</i> • <i>where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</i> • <i>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</i>
A.2	Consent:	[Not Applicable – the Notes are not being offered to the public.] [Consent: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with an offer to the public of Notes by the [Dealers/Managers[, [names of specific financial intermediaries listed in final terms,] [and] [each financial intermediary whose name is published on the Issuer's website (www.cassaddpp.it) and identified as an Authorised Offeror in respect of the relevant offer to the public] [and any financial intermediary which is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other]applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):

		"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by [●] (the "Issuer"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly." (each an "Authorised Offeror").] [Offer period: The Issuer's consent referred to above is given for offers to the public of Notes during [offer period for the issue to be specified here] (the "Offer Period").] [Conditions to consent: The conditions to the Issuer's consent (in addition to the conditions referred to above) are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make offers to the public of the relevant Tranche of Notes in [specify each Relevant Member State in which the particular Tranche of Notes can be offered] and (c) [specify any other conditions applicable to the offer to the public of the particular Tranche, as set out in the Final Terms]. AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN AN OFFER TO THE PUBLIC FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]
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Section B – Issuer		
B.1	Legal and commercial name of the Issuer:	Cassa depositi e prestiti S.p.A. (" CDP ")
B.2	Domicile and legal form of the Issuer:	CDP is a joint stock company (<i>Società per Azioni</i>) incorporated on 12 December 2003 with limited liability in Italy under Article 5 of Italian Law Decree No. 269 of 30 September 2003, as converted with amendments into Law No. 326 of 24 November 2003, having its registered office at Via Goito No. 4, 00185 Rome, Italy.

B.4b	Trends:	[Not Applicable] / [There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.]																								
B.5	The Group:	CDP is the parent company of the CDP group of companies (the “ CDP Group ”). CDP has significant holdings in a number major Italian companies (both listed and unlisted), operating in Italy and abroad, and in certain private equity funds. In particular, CDP is the controlling shareholder of the fund Fondo Strategico Italiano which acquires stakes in firms deemed to be of “significant national interest” that are financially stable and offer significant growth and profit-generation prospects. CDP is also the main shareholder of several high-profile Italian companies operating in the energy and resources sector, these being ENI S.p.A., TERNA S.p.A. and SNAM S.p.A. CDP also owns 100 per cent. of SACE S.p.A., 76 per cent. of SIMEST S.p.a. and 100 per cent. of FINTECNA S.p.A.																								
B.9	Profit Forecast:	[Not Applicable] / [No profit forecasts or estimates have been made in the Base Prospectus.]																								
B.10	Audit Report Qualifications:	Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.																								
B.12	Key Financial Information:	<i>[Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.]</i> <i>Income Statement</i> The table below sets out summary information extracted from the audited non consolidated annual financial statements as at 31 December 2012 and 31 December 2013 of CDP: <table border="1"> <thead> <tr> <th><i>€millions</i></th><th>Year ended 31 December 2013</th><th>Year ended 31 December 2012</th></tr> </thead> <tbody> <tr> <td>Net interest income</td><td>2,539,395,667</td><td>3,521,815,006</td></tr> <tr> <td>Net commission income</td><td>(1,582,847,831)</td><td>(1,611,774,850)</td></tr> <tr> <td>Gross income</td><td>4,122,485,441</td><td>3,652,640,063</td></tr> <tr> <td>Financial income (expense), net</td><td>4,077,194,693</td><td>3,629,755,107</td></tr> <tr> <td>Operating costs</td><td>(122,848,336)</td><td>(109,528,772)</td></tr> <tr> <td>Income (loss) before tax from continuing operations</td><td>2,945,399,448</td><td>3,667,453,309</td></tr> <tr> <td>Income (loss) for the year</td><td>2,348,764,274</td><td>2,852,617,356</td></tr> </tbody> </table>	<i>€millions</i>	Year ended 31 December 2013	Year ended 31 December 2012	Net interest income	2,539,395,667	3,521,815,006	Net commission income	(1,582,847,831)	(1,611,774,850)	Gross income	4,122,485,441	3,652,640,063	Financial income (expense), net	4,077,194,693	3,629,755,107	Operating costs	(122,848,336)	(109,528,772)	Income (loss) before tax from continuing operations	2,945,399,448	3,667,453,309	Income (loss) for the year	2,348,764,274	2,852,617,356
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Statement of Financial Position

The table below sets out summary information extracted from the audited non consolidated annual financial statements of CDP as at 31 December 2012 and 31 December 2013:

<i>€millions</i>	Year ended 31 December 2013	Year ended 31 December 2012
Total assets	314,685,303,077	305,431,479,602
Net equity	18,137,957,436	16,835,284,805
Share capital	3,500,000,000	3,500,000,000

Income Statement

The table below sets out summary information extracted from the audited consolidated annual financial statements as at 31 December 2012 and 31 December 2013 of the CDP Group:

<i>€millions</i>	Year ended 31 December 2013	Year ended 31 December 2012
Net interest income	2,840,674	3,448,524
Net commission income	(1,547,867)	(1,602,910)
Gross income	1,630,622	2,033,900
Financial income (expense), net	1,574,150	2,011,015
Net income from financial and insurance operations	1,823,208	2,011,015
Operating costs	870,467	789,086
Net income (loss) for the year	2,899,002	3,234,760
Net income (loss) for the year pertaining to shareholders of the parent company	2,501,296	2,926,864

Statement of Financial Position

The table below sets out summary information extracted from the audited consolidated annual financial statements of the CDP Group as at 31 December 2012 and 31 December 2013:

<i>€thousands</i>	Year ended 31 December 2013	Year ended 31 December 2012
Total assets	340,467,439	328,912,041
Net equity of the Group	19,295,290	18,185,755
Share Capital	3,500,000	3,500,000

Statements of no significant or material adverse change

Not Applicable. There has been no significant change in the financial or trading position of CDP since 31 December 2013.

There has been no material adverse change in the prospects of CDP since 31 December 2013.

B.13	Events impacting the Issuer's solvency	[Not Applicable] / There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																
B.14	Dependence upon other entities within the Group:	[Not Applicable] / CDP is the parent company of the CDP Group.																
B.15	The Issuer's Principal Activities:	CDP works to support Italy's growth and employs its resources, mainly funded through its management of postal savings (postal savings bonds and postal savings passbook accounts), in accordance with its institutional mission, in its capacity as a leader in financing the investments of public entities, catalyst for infrastructure development and key player in supporting the Italian economy and national enterprise. CDP and the CDP Group promote local development, financing investment by public entities, assisting local authorities in leveraging their real estate holdings, investing in social housing and supporting energy efficiency policies. In their role as catalyst for infrastructure development, CDP and the CDP Group – using corporate and project finance arrangements – support public-interest projects and enterprises for investments for the delivery of public services. They also perform this role by taking direct equity stakes in infrastructure companies and subscribing units in domestic and international infrastructure equity funds. CDP and the CDP Group also use debt and equity instruments to provide support to strategic domestic companies and small and medium-sized enterprises, thereby fostering their growth, efficiency, international expansion and investment in research.																
B.16	Controlling Persons:	The Italian Ministry of Economy and Finance is CDP's controlling shareholder, holding 80.103 per cent. of the share capital of CDP, whereas 18.396 per cent. is owned by 64 banking trusts (<i>fondazioni bancarie</i>). The remaining 1.501 per cent. are held as own shares by CDP.																
B.17	Ratings assigned to the Issuer or its Debt Securities:	As of the date of this Base Prospectus, the Issuer is rated: <table><thead><tr><th>Description</th><th>Standard & Poor's</th><th>Moody's</th><th>Fitch Ratings</th></tr></thead><tbody><tr><td>Short Term Counterparty Credit Rating</td><td>A-2</td><td>P-2</td><td>F2</td></tr><tr><td>Long Term Counterparty Credit Rating</td><td>BBB</td><td>Baa2</td><td>BBB+</td></tr><tr><td>Outlook</td><td>Negative</td><td>Stable</td><td>Stable</td></tr></tbody></table> [The Notes [have been/are expected to be] rated [<i>specify rating(s) of Tranche being issued</i>] by [<i>specify rating agent(s)</i>].] [A security rating is not a recommendation to buy, sell or hold	Description	Standard & Poor's	Moody's	Fitch Ratings	Short Term Counterparty Credit Rating	A-2	P-2	F2	Long Term Counterparty Credit Rating	BBB	Baa2	BBB+	Outlook	Negative	Stable	Stable
Description	Standard & Poor's	Moody's	Fitch Ratings															
Short Term Counterparty Credit Rating	A-2	P-2	F2															
Long Term Counterparty Credit Rating	BBB	Baa2	BBB+															
Outlook	Negative	Stable	Stable															

		securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.] [No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.]]
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	Section C – the Notes	
C.1	Description of Type and Class of Securities:	[The Notes are issued as Series number [●], Tranche number [●].] [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date.] [The Notes are [Fixed Rate Notes], [Floating Rate Notes], [Zero Coupon Notes], [Partly Paid Notes] [or a combination of any of the foregoing], depending upon the interest basis.] <i>International Security Identification Number (ISIN):</i> [●] <i>[Common Code: [●]]</i>
C.2	Currency of the Securities Issue:	The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.\$)/ Other ([●])].
C.5	Free Transferability:	Selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions. A purchaser of the Notes is required to make certain agreements and representations as a condition to purchasing the Notes.
C.8	The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:	<i>Status of the Notes:</i> The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference or priority among themselves and (subject to any applicable statutory exceptions) equally with all other present and future unsecured and unsubordinated obligations of the Issuer. <i>Denominations:</i> No Notes may be issued under the Euro Medium Term Note Programme established by CDP (the "Programme") which (a) have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. [Subject thereto, Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.] <i>Events of Default:</i> [The terms and conditions of the Notes will contain, amongst others, the following events of default:

		– default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time; – non-performance or non-observance by the Issuer of any of its other obligations under the conditions of the Notes, in certain cases continuing for a specified period of time; – if (i) any indebtedness individually or in the aggregate in excess of €100,000,000 (or its equivalent in any other currency or currencies) of the Issuer is not paid when due or (as the case may be) within any applicable grace period or becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer or (ii) the Issuer fails to pay when due any amount payable by it under any guarantee of any indebtedness individually or in the aggregate in excess of €100,000,000 (or its equivalent in any other currency or currencies); – certain final judgments for the payment of any amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) remain unsatisfied for a specific period of time; – security enforcement over the whole or a substantial (in the opinion of the Representative of the Noteholders) part of the undertakings, assets and revenues of the Issuer, continuing for a specified period of time; – events relating to the insolvency, bankruptcy or similar procedure of the Issuer; – events relating to winding up of the Issuer otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; – the Issuer's performance or compliance with any of its obligations under or in respect of the Notes becomes unlawful; and – events relating to cessation of business of the Issuer save for (i) the purposes of a reorganisation, restructuring, merger, amalgamation transfer or contribution of assets or other similar transaction on terms approved by the Representative of the Noteholders or (ii) the purposes of a permitted reorganisation as agreed between the Issuer and the relevant Dealer at the time of the issue of the Notes. Upon the continuing occurrence of the above, the Representative of the Noteholders, at its discretion, may, and if so directed by an extraordinary resolution of the Noteholders, shall give written notice to the Issuer that the Notes are immediately due and payable, whereby the Notes
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		shall immediately become due and payable at their principal amount together with accrued interest.] <i>Taxation:</i> All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Italy, as the case may be, unless the withholding is required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. However the Issuer shall not be liable in certain circumstances to pay any additional amounts to holders of the Notes with respect to any payment, withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time, and related regulations of implementation which have been or may be subsequently be enacted on account of substitute tax (imposta sostitutiva as defined therein in relation to interest payable in respect of any Notes. <i>Meetings:</i> The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.
C.9	Information as to Interest, Maturity, Yield and the Representative of the Holders:	Please also refer to Element C.8 above. Interest Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate. Interest Rate [[<i>Insert in the case of Fixed Rate Notes:</i>] The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. The yield in respect of the Notes is [●] per cent. The yield is calculated at the issue date on the basis of the relevant Issue Price (as defined below). Interest will be paid [annually/semi-annually/quarterly] in arrear on [●] in each year. The first interest payment will be made on [●]] [[<i>Insert in the case of Floating Rate Notes:</i>][The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [●]-Euribor] [[●]-Libor] [<i>insert CMS rate</i>] [for the relevant interest period[s][.][<i>in the case of a margin insert:</i>][, plus][, minus] the margin of [●] per cent. per annum][.] [<i>In the case of a factor insert:</i>], multiplied

		with a factor of <i>[Insert factor]</i> for the relevant interest period. Interest will be paid <i>[annually/semi-annually/quarterly]</i> in arrear on <i>[●]</i>, and <i>[●]</i> in each year, subject to adjustment for non-business days. The first interest payment will be made on <i>[●]</i> <i>[[In the case of a minimum and/or maximum rate of interest, insert:]</i> The amount of interest payable on the Notes is subject to <i>[insert the minimum/maximum rate of interest].</i> <i>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</i> <i>[Interest: The Notes do not bear interest.]</i> Underlyings <i>[Not Applicable. Interest on the Notes is not based on an underlying.]</i> <i>[Insert in the case of CMS Linked Interest Notes:][insert CMS Rate(s)]</i> <i>[Insert in the case of Zero Coupon Notes:] [Not Applicable.]</i> Maturities Any maturity <i>[between [period] and [period]]</i> <i>[of not less than [period]]</i> <i>[or with no fixed maturity date]</i>, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Redemption <i>[The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.]</i> Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on <i>[●]</i> at par. The Notes may be redeemed early <i>[for tax reasons] [or] [for regulatory reasons] [or][at the option of the Issuer] [or] [at the option of the Noteholders]]</i> at <i>[specify the early redemption price and any maximum or minimum redemption amounts]</i>. <i>[Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders at the terms agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.]</i> <i>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or</i>
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		in part] on [●] at [●], plus accrued interest (if any) to such date, on the Issuer's giving not less than [30] nor more than [60] days' notice to the Noteholders.] <i>[Redemption at the Option of the Noteholders:</i> The Issuer shall, at the option of the holder of any Note redeem such Note on [●] at [●] together with interest (if any) accrued to such date.] <i>Tax Redemption:</i> Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the Republic of Italy]. <i>Representative of the Noteholders:</i> [[●] or any other person for the time being acting as Representative of the Noteholders.]/[Not Applicable]
C.10	Derivative Components in the interest payments:	Please refer to Element C.9. [Interest payments under the Floating Rate Notes depend on the development of the [insert [●]-Euribor] [insert [●]-Libor] [insert CMS rate] for the relevant interest period.] [Not Applicable. There is no derivative component in the interest payments.]
C.11 [C.2 1]	Application for admission to Trading:	[Application has been made to [the Luxembourg Stock Exchange/[●]] for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/[●]].] [Not applicable. <i>The Issuer does not intend to make any application for the Notes to be admitted to trading on any regulated market.</i>]

Section D – Risks		
D.2	Risks Specific to the Issuer:	<i>[Key information on the key risks that are specific to the issuer]</i> In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect

		their businesses and ability to make payments due under the Notes. These factors include, <i>inter alia</i>: – The Notes do not benefit from any security or any guarantee of the Republic of Italy, therefore the Issuer will meet its payment obligations through the results of its business activities; – CDP may segregate any of its assets, in whole or in part, in favour of the holders of asset-backed securities issued thereby or in favour of other lenders of CDP; – The terms and conditions of the Notes limit the ability of individual Noteholders to commence proceedings against the Issuer by conditioning the ability of any Noteholder to commence any such individual actions to the prior approval of a meeting of all Series of Noteholders and failure by the Representative of the Noteholders to take such actions within a reasonable period of time; – The Issuer's credit ratings closely reflect the rating of the Republic of Italy and are therefore exposed to the risk of decline in the sovereign credit rating of Italy. Accordingly, on the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a knock-on effect on the credit rating of Italian issuers, such as CDP.
D.3	Risks Specific to the Notes:	There are also risks associated with the Notes. These include a range of market risks (including that there may be no or only a limited secondary market in the Notes, that the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency, that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes and that changes in interest rates will affect the value of Notes which bear interest at a fixed rate), the fact that the conditions of the Notes may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them. Key risks regarding to certain types of Notes The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

		Potential investors should consider reinvestment risk in light of other investments available at that time. If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned. Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates. The value of Fixed Rate Notes may be adversely affected by movements in market interest rates. Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes. [The Issuer may issue Notes with interest determined by reference to the CMS Rate (a "Relevant Factor"). Potential investors should be aware that: (i) the market price of such Notes may be very volatile; (ii) they may receive no interest; (iii) payment of principal or interest may occur at a different time; (iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; (v) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and (vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.] [The Issuer may issue Partly Paid Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.]
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Section E – Offer		
E.2b	Reasons for the	[Notes will be issued by the Issuer to raise funds to finance

	Offer and Use of Proceeds:	general funding purposes of the Issuer.] [The net proceeds from this issue of Notes will be applied by the Issuer to [●].]
E.3	Terms and Conditions of the Offer:	<i>[The Issue Price of the Notes is [●] per cent. of their principal amount.]</i> The Notes may be offered to the public as an offer to the public in one or more specified Public Offer Jurisdictions. The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue. An investor intending to acquire or acquiring any Notes in an Offer to the Public from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. [Not Applicable – No offer to the public is being made or is contemplated] [This issue of Notes is being offered to the public in [●]]. Offer Period: <i>[specify date]</i> until <i>[specify date]</i> Offer Price: [Issue Price/Not Applicable/specify] Conditions to which the offer is subject: [Not Applicable/<i>give details</i>] Description of the application process: [Not Applicable/<i>give details</i>] Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/<i>give details</i>] Details of the minimum and/or maximum amount of application: [Not Applicable/<i>give details</i>] Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/<i>give details</i>] Manner in and date on which results of the offer are to be made public: [Not Applicable/<i>give details</i>] Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/<i>give details</i>] Whether tranche(s) have been reserved for certain countries: [Not Applicable/<i>give details</i>] Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/<i>give details</i>]

		Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/<i>give details</i>] Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None] / [•]
E.4	Interests Material to the Issue:	The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. [The [Dealers/Managers] will be paid aggregate commissions equal to [•] per cent. of the nominal amount of the Notes.] [Other than as mentioned above, [and save for [•].] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]
E.7	Estimated Expenses:	[<i>Offer price: Issue Price.</i>] [Authorised Offerors (as defined above) may, however, charge expenses to investors.] [Other Commissions: [<i>Insert other commissions.</i>]] [Not applicable. No such expenses will be charged to the investor by the Issuer or a dealer.[Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.]

RISK FACTORS

The following are the risk factors relating to the Issuer and Notes to be issued under the Programme which prospective purchasers of Notes should consider prior to making an investment decision. Prospective purchasers of Notes should also read the information set out elsewhere in this Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

Risk factors relating to the Issuer

Issuer's ability to meet its obligations under the Notes

No security interest has been created by CDP for the benefit of the holders of the Notes for their claims under the Notes, nor will any guarantee be issued by the Republic of Italy in favour of the Noteholders. Consequently, the Issuer will meet its payment obligations under the Notes primarily through the result of its business activities. Noteholders will have access to all assets of CDP to satisfy their claims under the Notes, other than assets segregated by CDP in favour of certain creditors of CDP, pursuant to paragraph 18 of Article 5 of Italian Law Decree No. 269 of 30 September 2003 ("**Article 5**"). See further details on segregated asset under "Segregated Assets of CDP" below.

Segregated Assets of CDP

CDP may segregate any of its assets, in whole or in part, in favour of the holders of asset-backed securities issued thereby or in favour of other lenders of CDP. In particular, pursuant to paragraph 18 of Article 5, upon segregation, the assets may be attached only by the holders of the asset-backed securities or other lenders identified by CDP and constitute separate assets in all respects from that of CDP until final discharge of their rights against CDP. In addition, notwithstanding the provisions of article 2447-bis, letter (a) of the Italian Civil Code on the segregation of assets by joint stock companies to specific businesses, the segregation of assets upon which CDP may resolve, is not subject to any limit sets by law.

Existing Indebtedness

As of 31 December 2013, the total gross financial debt of the Issuer amounted to Euro 291,939 million, of which Euro 242,417 million was represented by postal savings accounts and interest bearing postal bonds issued by the Issuer. The obligations of the Issuer in respect of such accounts and bonds are guaranteed by the Republic of Italy. In the event of enforcement of the guarantee, pursuant to the provisions of the decree of the MEF of 6 October 2004, the Republic of Italy has conditioned its repayment rights against CDP to the absence of any prejudice to (i) the claims of public bodies or entities arising from the Separate Account System, (ii) the continuance of CDP's corporate activities carried out pursuant to paragraph 7, letter (a) of Article 5; and (iii) its title to the shareholdings of ENI

S.p.A. and ENEL S.p.A. transferred to CDP by the MEF at the time of its transformation in a joint stock company.

Limited rights of individual Noteholders

The protection and exercise of the Noteholders' rights against the Issuer is one of the duties of the Representative of the Noteholders. The Terms and Conditions limit the ability of individual Noteholders to commence proceedings against the Issuer by conditioning the ability of any Noteholder to commence any such individual actions to the prior approval of a Meeting of all Series of Noteholders and failure by the Representative of the Noteholders to take such actions within a reasonable period of time.

The sovereign debt crisis

The sovereign debt crisis has raised concerns about the long-term sustainability of the European Monetary Union. In the last years, Greece, Ireland and Portugal have requested financial aid from European authorities and from the International Monetary Fund and are currently pursuing an ambitious programme of reforms. Cyprus has also requested financial help. While the risk of a sharp upward repricing in sovereign credit spreads has significantly diminished after the ECB launched the "Outright Monetary Transactions", it has not completely faded.

Persistent market tensions might affect negatively the funding costs and economic outlook of some euro member countries. This, together with the risk that some countries (even if not very significant in terms of gross domestic product) might leave the euro area, would have a material and negative impact on CDP and its operations.

Any deterioration of the Italian economy would have a material adverse effect on CDP, in light of the CDP and its subsidiaries' (the "**CDP Group**") significant exposure to the Italian economy. Since the beginning of the sovereign debt crisis in May 2010, credit quality has generally declined, as reflected by downgrades suffered by several countries in the euro-zone, including Italy. The Issuer's credit ratings closely reflect the rating of the Republic of Italy and are therefore exposed to the risk of decline in the sovereign credit rating of Italy. Accordingly, on the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a knock-on effect on the credit rating of Italian issuers, such as CDP.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the euro area, global markets remain characterised by high volatility. Any further acceleration of the European sovereign debt crisis could likely significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by CDP.

Relationship with the Republic of Italy

The nature of CDP's business, as lender of funding to Italian public entities thereby providing

a service of general economic interest, implies that, in addition to the risks connected with the need for renewal upon expiry of agreements and concessions, CDP bears the risks associated with its special relationship with the Italian government, which is CDP's main shareholder, and therefore may exercise a significant influence on CDP's operations.

Risk factors relating to the Notes

Suitability of the Notes as an investment

The Notes may not be a suitable investment for all Investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

There is no active trading market for the Notes currently

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a

Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to be admitted to the Official List and traded on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. Illiquidity may have a severely adverse effect on the market value of Notes.

Early Redemption of the Notes for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

Fixed Rate Notes

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

Floating Rate Notes

The Issuer may issue Notes with interest determined by reference to the CMS Rate (a "**Relevant Factor**"). Potential investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time;

- (iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (v) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly paid Notes

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

Notes issued at a substantial discount or premium

The market value of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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

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

could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

No physical document of title issued in respect of the Notes

Notes issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. In no circumstance would physical documents of title be issued in respect of the Notes. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

The Representative of the Noteholders may agree to modifications and waivers without convening a meeting of the Noteholders

Pursuant to the Rules of Organisation of Noteholders, the Representative of the Noteholders may, without convening a meeting of the Noteholders, agree to certain amendments to, or modifications of, or waivers or authorisations of any breach of the Notes. Any such modification, waiver, authorisation or determination shall be binding upon the Noteholders and, unless the Representative of the Noteholders determines otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as possible thereafter.

Issues of Series and relationship between Noteholders

Under the Programme, CDP may create and issue new Series without the consent of the existing Noteholders to raise funds to finance general funding purposes of the Issuer. Both prior to and following the occurrence of an Event of Default, all Notes will rank *pari passu* among themselves. Circumstances could potentially arise in which the interest of the holders of different Series of Notes could differ.

The Terms and Conditions contain provisions requiring the Representative of the Noteholders to have regard to the interests of the Noteholders as regards all powers, authorities, duties and discretions of the Representative of the Noteholders as if they formed a single Series and the Representative of the Noteholders shall not be bound, in the event of a conflict between the interests of the holders of different Series of Notes, to have regard only to the interests of the holders of one of the Series of Notes.

Rating

The Programme has been assigned a rating of "BBB+" by Fitch Ratings, "Baa2" by Moody's, and "BBB" by S&P. Each of Fitch Ratings, Moody's and S&P is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating

agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Tranches of Notes issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that

payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are held within the relevant clearing system, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligation under the Notes is discharged once it has paid the clearing systems, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – United States Foreign Account Tax Compliance Act.*"

The Issuer believes that the risks described above are the principal risks inherent in the holding of Notes issued under Programme for holders of the Notes of any Series but the inability of the Issuer to pay interest or repay principal on the Notes of any Series may occur for other reasons. While the various structural elements described in this Base Prospectus are intended to lessen some of these risks for holders of Notes of any Series, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of Notes of any Series of interest or principal on such Notes on a timely basis or at all.

IMPORTANT INFORMATION RELATING TO OFFERS TO THE PUBLIC OF NOTES

Offers to the Public of Notes in the European Economic Area

Certain Tranches of Notes with a denomination of less than EUR100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**) in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to in this Base Prospectus as a **"Offer to the Public"**. This Base Prospectus has been prepared on a basis that permits Offers to the Public of Notes. However, any person making or intending to make an offer to the public of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under *"Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)"* below and provided that such person complies with the conditions attached to their consent.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Offer to the Public of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

In the context of any Offer to the Public of Notes, the Issuer accepts responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an **"Investor"**) who acquires any Notes in an Offer to the Public made by any person to whom the Issuer has given consent to the use of this Base Prospectus (an **"Authorised Offeror"**) where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under *"Consent to the use of this Base Prospectus"* and *"Common Conditions to Consent"* below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Offer to the Public and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Save as provided below, none of the Issuer and the Dealers has authorised the making of any Offer to the Public by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Offer to the Public of Notes. Any Offer to the Public made without the consent of the Issuer is unauthorised and none of the Issuer and the Dealers accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If, in the context of an Offer to the Public, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purposes of the Offer to the Public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Consent to the use of this Base Prospectus

Subject to the conditions set out below under "*Common Conditions to Consent*":

(a) *Specific Consent*: the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer to the Public of Notes during the relevant Offer Period by the Dealer specified in the applicable Final Terms and by:

- (i) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and
- (ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuer (www.cassaddpp.it) and identified as an Authorised Offeror in respect of the relevant Offer to the Public; and

(b) *General Consent*: if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer to the Public of Notes by any financial intermediary which satisfies the following conditions:

- (i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
- (ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the "**Acceptance Statement**"):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [Cassa depositi e prestiti S.p.A.] (the "**Issuer**"). In consideration of the Issuer offering to grant their consent to our use of the Base

Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, we hereby accept such offer. Accordingly, we are using the Base Prospectus in connection with the Offer to the Public in accordance with the consent of the Issuer on the Authorised Offeror Terms and subject to the conditions of such consent."

Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with an Offer to the Public is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website.

The consent referred to above relates to Offers to the Public occurring within twelve months from the date of this Base Prospectus.

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

(A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuers and the relevant Dealer that it will, at all times in connection with the relevant Offer to the Public:

- (i) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;
- (ii) immediately inform the Issuer and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (iii) in relation to each relevant Offer to the Public of Notes, comply with the restrictions set out under "Subscription and Sale" in this Base Prospectus as if it were a Dealer and with any further relevant requirements as may be specified in the applicable Final Terms;
- (iv) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- (v) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules including, where an offer to the public of Notes is being made in the United Kingdom, authorisation under the FSMA;

- (vi) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (vii) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and/or the relevant Dealer;
- (viii) ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (ix) co-operate with the Issuer and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph ((vi)) above) upon written request from the Issuer, or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Dealer:
 - (a) in connection with any request or investigation by any regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
 - (b) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or
 - (c) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (x) during the primary distribution period of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;
- (xi) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (xii) immediately inform the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (xiii) ensure that it does not, directly or indirectly, cause the Issuer, or the relevant Dealer to breach any Rule or subject the Issuer, or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (xiv) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Offer to the Public as specified in the applicable Final Terms;
- (xv) make available to each potential Investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus; and
- (xvi) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Offer to the Public) in connection with the relevant Offer to the Public, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states

that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer, or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in the Base Prospectus;

(B) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer; and

(C) agrees and accepts that:

- (i) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Offer to the Public (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Italian law;
- (ii) subject to (iv) below, the Italian courts have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the financial intermediary submit to the non-exclusive jurisdiction of court of Rome;
- (iii) for the purposes of (C)(ii) and (iv), the Issuer and the financial intermediary waive any objection to the Italian courts on the grounds that they are an

inconvenient or inappropriate forum to settle any dispute;

- (iv) this paragraph (iv) is for the benefit of the Issuer and each relevant Dealer. To the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

Any financial intermediary who is an Authorised Offeror falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in "Common Conditions to Consent" below and who wishes to use this Base Prospectus in connection with a Offer to the Public is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement (duly completed) specified at paragraph (b)(ii) above.

Common conditions to consent

The conditions to the consent of the Issuer to the use of this Base Prospectus are (in addition to the conditions described in either sub-paragraph (a) or sub-paragraph (b) under "Consent" above) that such consent:

- (a) is only valid in respect of the relevant Tranche of Notes;
- (b) is only valid during the Offer Period specified in the applicable Final Terms; and
- (c) only extends to the use of this Base Prospectus to make Offers to the Public of the relevant Tranche of Notes in Austria, Belgium, France, Germany, Portugal, Republic of Italy, Spain, Sweden, the Netherlands and the United Kingdom, as specified in the applicable Final Terms.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN AN OFFER TO THE PUBLIC FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER TO THE PUBLIC OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION.

NONE OF THE ISSUER AND THE DEALERS (EXCEPT WHERE THE DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.

Offers to the Public: Issue Price and Offer Price

Notes to be offered pursuant to a Offer to the Public will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of the relevant Offer to the Public and will depend, amongst other things, on the interest rate applicable to the Notes and prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

GENERAL DESCRIPTION OF THE PROGRAMME

This section must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

An overview of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes. The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This general description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

The Base Prospectus and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Base Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 13,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another currency of denomination (as specified in the applicable Final Terms in relation to the relevant Notes) shall be determined either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in Milan, in each case on the basis of the spot rate for the sale of the euro against the purchase of such currency of denomination in the Milan foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

Issuer: Cassa depositi e prestiti società per azioni (the "**Issuer**" or "**CDP**"), a joint stock company incorporated on 12 December 2003 with limited liability in Italy under Article 5

of Italian Law Decree No. 269 of 30 September 2003, as converted with amendments into Law No. 326 of 24 November 2003 ("**Article 5**" or "**Law Decree 269**"), having its registered office at Via Goito No. 4, 00185 Rome, Italy, registered with No. 80199230584 in the register of companies of Rome.

Joint Arrangers:

CDP and Barclays Bank PLC.

Dealers:

Banca IMI S.p.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, Société Générale, UBS Limited and UniCredit Bank AG, London Branch and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (each a "**Dealer**" and together the "**Dealers**").

Principal Paying Agent:

The Bank of New York Mellon (Luxembourg) S.A., Italian branch, a bank incorporated under the laws of the Grand Duchy of Luxembourg acting through its branch located at Via Carducci, 31, 20123 Milan, Italy or any other person for the time being acting as Principal Paying Agent of the Issuer pursuant to the Agency Agreement.

Luxembourg Paying Agent and Luxembourg Listing Agent:

The Bank of New York Mellon (Luxembourg) S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg, with registered office in Luxembourg at 2-4 rue Eugene Ruppert Vertigo Building – Polaris L-2453 (Luxembourg) or any other person for the time being acting as Luxembourg Paying Agent of the Issuer and as listing agent in Luxembourg, pursuant to the Agency Agreement.

Calculation Agent:

The Calculation Agent in relation to any Tranche of Notes will be appointed by the Issuer on or prior to the relevant issue date of the Notes.

Representative of the Noteholders:

BNY Mellon Corporate Trustee Services Limited, a limited liability company incorporated under the laws of England

and Wales, whose main office is at One Canada Square, London E14 5AL, United Kingdom or any other person for the time being acting as Representative of the Noteholders. The Representative of the Noteholders shall act as such pursuant to the Dealer Agreement, the subscription agreements in respect of the Notes and the Conditions.

Listing and Admission to Trading: Each Series may be admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

Programme Amount: Up to Euro 13,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of Dealer Agreement (as defined below). In connection with such increase, the Issuer shall prepare a supplement to the Base Prospectus.

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects.

Final Terms: Each Tranche will be the subject of the Final Terms prepared in relation thereto which, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the relevant Final Terms.

Forms of Notes: The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners, until

redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli account holders. The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes and will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58 as subsequently amended and supplemented ("**Legislative Decree No. 58**") and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Regulation**"). No physical document of title will be issued in respect of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-quinquies of Legislative Decree No. 58

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin/multiplier. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Partly Paid Notes

Partly Paid Notes will be issued in the amount, as specified in the applicable Final Terms, and further instalments will be payable in the amounts and on the dates, as specified in the applicable Final Terms.

Currencies:

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or

regulatory and/or central bank requirements.

Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis as specified in the relevant Final Terms.
Maturities:	Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Subject to any purchase and cancellation or early redemption or repayment, Notes may be redeemable at par as specified in the applicable Final Terms. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Early redemption will be permitted for tax reasons as described in Condition 8.2 (<i>Redemption and Purchase - Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that the minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a

contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Cross Default:

The Notes will have the benefit of a cross default as described in Condition 11 (*Events of Default*).

Redenomination:

In respect of any Tranche of Notes, if the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State (as defined in the Conditions), the Notes may be redenominated in Euro in accordance with Condition 20 (*Redenomination, Renominalisation and Reconventioning*) if so specified in the relevant Final Terms.

Ratings:

The Programme is rated "BBB+" by Fitch Ratings, "Baa2" by Moody's and "BBB" by S&P. Each of Fitch Ratings, Moody's and S&P is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Notes issued under the Programme may be rated or unrated. In certain circumstances, the rating of the Notes may be higher than the rating of the Programme. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.**

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for

registration in accordance with the CRA Regulation and such registration is not refused.

Selling Restrictions:

For a description of restrictions on offers, sales and delivery of the Notes, and on the distribution of offering materials, in the United States of America, the European Economic Area and Japan see "Subscription and Sale" below.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

1. Article 5 pursuant to which the Issuer has been transformed into a joint stock company, incorporated by reference in its entirety;
2. the Bylaws (*Statuto*) of the Issuer, incorporated by reference in its entirety;
3. the audited non consolidated annual financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2012 included in 2012 Annual Report;
4. the audited consolidated annual financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2012 included in 2012 Annual Report;
5. the audited non consolidated annual financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2013 included in 2013 Annual Report;
6. the audited consolidated annual financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2013 included in 2013 Annual Report; and
7. the Terms and Conditions contained in the Base Prospectus dated 21 May 2013, pages 24 to 71 (inclusive), prepared by the Issuer in connection with the Programme.

The tables below set out the relevant page references for the notes, the balance sheet, the income statement, the auditor's report and the cash flow statement in the financial statements above mentioned as set out in the annual reports published on the Issuer's website (www.cassaddpp.it):

Any other information incorporated by reference that is not included in the cross-reference tables below is considered to be additional information to be disclosed to Investors rather than information required by the relevant Annexes of the Commission Regulation (EC) no 809/2004, as amended, implementing the Prospectus Directive.

2013 Annual Report – non consolidated financial	Page Reference	2013 Annual Report – consolidated financial	Page Reference
1. Notes to annual financial	183	1. Notes to annual financial	400
2. Balance sheet	176	2. Balance sheet	393
3. Income statements	178	3. Income statements	395
4. Changes in equity	180	4. Changes in equity	397
5. Auditors' report	381	5. Auditors' report	636
6. Cash flow statement	182	6. Cash flow statement	399

2012 Annual Report – non consolidated financial	Page Reference	2012 Annual Report – consolidated financial	Page Reference
1. Notes to annual financial	167	1. Notes to annual financial	345
2. Balance sheet	160	2. Balance sheet	338
3. Income statements	162	3. Income statements	340
4. Changes in equity	164	4. Changes in equity	342
5. Auditors' report	325	5. Auditors' report	543
6. Cash flow statement	166	6. Cash flow statement	344

This Base Prospectus and the documents incorporated by reference are available for viewing on the Luxembourg Stock Exchange's website (www.bourse.lu).

The Issuer will, at the specified offices of the Paying Agents (as defined herein), provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or telephone requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Luxembourg Paying Agent.

The non consolidated financial statements of the Issuer as at and for the year ended 31 December 2012 and 31 December 2013, and the consolidated financial statements of the Issuer as at and for the year ended 31 December 2012 and 31 December 2013, have been audited by PricewaterhouseCoopers S.p.A. The foregoing annual financial statements, which attach those reports, are incorporated by reference into this Base Prospectus.

The financial statements referred to above have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by IASB (and related IFRIC and SIC interpretations) endorsed by the European Commission and with the Bank of Italy circular of 22 December 2005 updated to 18 November 2009, which establishes the required format of the financial statements and related methods of preparation, as well as the content of the related notes.

Declaration of the manager responsible for preparing the corporate financial reports

The manager responsible for preparing the corporate financial reports, Andrea Novelli, declares pursuant to paragraph 2 of Article 154-bis of the Legislative Decree No. 58, that the accounting information contained in this Base Prospectus corresponds to that in the accounting documentation, books and records.

SUPPLEMENT TO THE BASE PROSPECTUS

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Conditions**" or the "**Terms and Conditions**") which, subject to completion in accordance with the provisions of the relevant Final Terms will apply to each Series of Notes.*

*In these Conditions, references to the "**holder**" of a Note or to "**Noteholders**" are to the beneficial owners of Notes issued in dematerialised form and evidenced in book entry form with Monte Titoli S.p.A. pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. No physical document of title will be issued in respect of Notes. Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (formerly Cedelbank) are intermediaries authorised to operate through Monte Titoli S.p.A..*

1. **Introduction**

- 1.1 *Programme:* Cassa depositi e prestiti S.p.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the **issuance** of up to Euro 13,000,000,000 in aggregate principal amount of notes (the "**Notes**"). Such maximum amount may be increased at any time in accordance with the provisions of the Dealer Agreement (as defined below).
- 1.2 *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of the Final Terms prepared in relation to such Tranche (each, the "**Final Terms**") which complete these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.
- 1.3 *Agency Agreement:* On 19 May 2014, the Issuer has entered into an agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") with The Bank of New York Mellon (Luxembourg) S.A., Italian Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (the "**Luxembourg Paying Agent**" which expression includes any successor Luxembourg paying agent appointed from time to time in connection with the Notes, and together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), in relation to certain payment services in respect of the Notes.
- 1.4 *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms (where Notes the subject thereof are listed on the Luxembourg Stock Exchange) are available for inspection by Noteholders during normal business hours at the Specified

Office of the Luxembourg Paying Agent, the initial Specified Office of which is 2-4 rue Eugene Ruppert Vertigo Building – Polaris L-2453, Luxembourg (Luxembourg).

- 1.5 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.
- 1.6 *Rules of Organisation of Noteholders:* The rights and powers of the Noteholders may only be exercised in accordance with the rules of organisation of Noteholders attached to the Agency Agreement (respectively, the "**Rules of Organisation**" and the "**Organisation of Noteholders**") which are deemed to form part of these Conditions. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Rules of Organisation.

2. **Definitions and Interpretation**

- 2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given thereto in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Article 5**" means article 5 of Italian Law Decree No. 269 of 30 September 2003 (as converted with amendments into Law No. 326 of 24 November 2003), as subsequently amended and restated;

"**CONSOB and Bank of Italy Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended and supplemented;

"**Business Day**" means:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if

any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given thereto in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the entity specified in the relevant Final Terms to act as calculation agent in respect of the relevant Notes pursuant to the Conditions, the relevant Final Terms and the Agency Agreement;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Cap" means a percentage per annum as specified in the relevant Final Terms;

"CMS Rate" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent;

"CMS Rate 1" and **"CMS Rate 2"** shall mean the CMS Rate with a particular Designated Maturity as specified in the relevant Final Terms;

"CMS Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five major banks in the Euro-zone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five major banks in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five major banks in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five major banks in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if **"Actual/Actual (ICMA)"** is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in

that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31 day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

"Dealer Agreement" means the dealer agreement entered into on 19 May 2014 by the Issuer, the Dealers and the Representative of the Noteholders setting out the terms of issue of any Series of Notes and the terms of appointment of the Representative of the Noteholders, as amended and supplemented from time to time;

"Early Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Extraordinary Resolution" has the meaning given thereto in the Rules of Organisation;

"Final Redemption Amount" means, in respect of any Note, its principal amount, subject to any purchase, cancellation, early redemption or repayment;

"Fixed Coupon Amount" has the meaning given thereto in the relevant Final Terms;

"Floor" means a percentage per annum as specified in the relevant Final Terms;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) 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;
- (iv) 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
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means, in relation to any Series or Tranche of Notes, the Issue Date of such Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given thereto in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

"Interest Period" means each period beginning on (and including) the Interest

Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given thereto in the relevant Final Terms;

"Legislative Decree No. 58" means the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended;

"Leverage" means a percentage number as specified in the relevant Final Terms;

"Margin" means a percentage per annum as specified in the relevant Final Terms;

"Maturity Date" has the meaning given thereto in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given thereto in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given thereto in the relevant Final Terms;

"Monte Titoli" means Monte Titoli S.p.A., with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto;

"Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg;

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given thereto in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given thereto in the relevant Final Terms;

"Participating Member State" means a Member State of the European Communities

which adopts the Euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"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 Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice to be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or

calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" has the meaning given thereto in the relevant Final Terms or, if none, four major banks selected by the Principal Paying Agent in the market that is most closely connected with the Reference Rate;

"Reference Currency" has the meaning given in the relevant Final Terms;

"Reference Price" has the meaning given thereto in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given thereto in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Swap Rate" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Reference Currency is sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an

Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

- (iv) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms;

"Relevant Time" has the meaning given thereto in the relevant Final Terms;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"Representative of the Noteholders" means BNY Mellon Corporate Trustee Services Limited, as representative of the Noteholders, appointed in the Subscription Agreement entered into in relation to any issue of Notes pursuant to the Dealer Agreement, and/or any successor thereto appointed in accordance with the Rules of Organisation;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given thereto in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given thereto in the relevant Final Terms;

"Specified Office" has the meaning given thereto in the Agency Agreement;

"Specified Period" has the meaning given thereto in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

"Treaty" means the Treaty establishing the European Communities, as amended;

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms;

2.2 **Interpretation:** In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2.1 to have the meaning given thereto in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (v) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

- 3.1 *Form:* The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.
- 3.2 *Book entries:* The Notes will at all times be evidenced by book-entries pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. No physical document of title will be issued in respect of the Notes.
- 3.3 *Denomination:* The Notes are issued in the Specified Denomination(s) specified in the applicable Final Terms. Each Series of Notes will have Notes of one denomination only.
- 3.4 *Types of Notes:* The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Partly Paid Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

4. **Status**

The Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari*

passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Fixed Rate Note Provisions**

- 5.1 *Application:* This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- 5.2 *Accrual of interest:* The Notes bear interest on their principal amount (or, if they are Partly Paid Notes, on the aggregate amount paid up) from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.
- 5.3 *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- 5.4 *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by the Calculation Agent by applying the Rate of Interest to the principal amount of such Note (or, if they are Partly Paid Notes, the aggregate amount paid up) multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

6. **Floating Rate Note Provisions**

- 6.1 *Application:* This Condition 6 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- 6.2 *Accrual of interest:* The Notes bear interest on their nominal amount (or, if they are Partly Paid Notes, the aggregate amount paid up) from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear

interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

6.3 *Screen Rate Determination (other than CMS Linked Interest Notes):* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or, as the case may be, the arithmetic mean last determined in relation to the Notes in respect of the immediately preceding Interest Period for which such rate or arithmetic mean was determined.

6.4 *Floating Rate Notes which are CMS Linked Interest Notes:* Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

- (a) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (b) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate}$$

- (c) where "Leveraged CMS Reference Rate 2" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate} + \text{Margin}$$

- (d) where "Steepner CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

- (i) where "Steepner CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

$$\text{CMS Rate 1} - \text{CMS Rate 2}$$

or

- (ii) where "Steepner CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

$$\text{Leverage} \times [(\text{Min}(\text{CMS Rate 1; Cap} - \text{CMS Rate 2})] + \text{Margin}$$

- (e) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{Min} [\text{Max}(\text{CMS Rate} + \text{Margin; Floor}); \text{Cap}]$$

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

- 6.5 *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

- 6.6 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 6.7 *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount of such Note (or, if it is a Partly Paid Note, the aggregate amount paid up) during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Floating Rate Note is the multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.
- 6.8 *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is, as the case may be, to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- 6.9 *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified in accordance with Condition 18 (Notices) to the Paying Agents, Monte Titoli, the Issuer, the Representative of the Noteholders, the Luxembourg Stock Exchange or each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 18 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

- 6.10 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the other Paying Agent(s), the Representative of the Noteholders and the Noteholders (subject as aforesaid) and no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7. **Zero Coupon Note Provisions**

- 7.1 *Application:* This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- 7.2 *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

8. **Partly Paid Notes Provisions**

Accrual of interest: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up aggregate nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

9. **Redemption and Purchase**

- 9.1 *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).

- 9.2 *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) and the Representative of the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the relevant Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Representative of the Noteholders (A) a certificate signed by a senior officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

- 9.3 *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders and the Representative of the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as

the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- 9.4 *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9.3 (*Redemption at the option of the Issuer*), the Optional Redemption Amount (Call) will be divided among all the Noteholders of the relevant Series pro rata to the principal amount outstanding of the Notes then held by the individual Noteholders.
- 9.5 *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5, the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent, with a copy to the Issuer and the Representative of the Noteholders, a duly completed irrevocable Put Option Notice in the form specified in the relevant Final Terms. Upon delivery of a Put Option Notice and up to and including the Optional Redemption Date (Put), no transfer of title to the Note(s) for which the Put Option Notice will be allowed. At least 5 Business Days prior to the Optional Redemption Date (Put), the Issuer and the Principal Paying Agent shall notify Monte Titoli of the amount of Notes to be redeemed on the Optional Redemption Date (Put) and the aggregate Optional Redemption Amount (Put).
- 9.6 *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 9.1 to 9.5 above.
- 9.7 *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- 9.8 Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9.8 or, if none is so specified, a Day Count Fraction of 30E/360.

- 9.9 *Redemption of Partly Paid Notes:* If the Notes are Partly Paid Notes, unless otherwise specified in the applicable Final Terms, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 9 and the applicable Final Terms.
- 9.10 *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price.
- 9.11 *Cancellation:* All Notes redeemed or purchased by the Issuer in accordance with this Condition 9 shall be cancelled and may not be reissued or resold.

10. **Payments**

- 10.1 *Principal and interest:* Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the relevant Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.
- 10.2 *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*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 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 10.3 *Payments on business days:* If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 10.4 *Principal Paying Agent:* The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint another Principal Paying Agent. The Issuer will cause at least 30 days' prior notice of any replacement of the Principal Paying Agent to be given in accordance with Condition 18 (*Notices*).
- 10.5 *Luxembourg Paying Agent:* The Issuer reserves the right, subject to the prior written

approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Luxembourg Paying Agent and to appoint another Luxembourg Paying Agent, provided that (for as long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the regulated market of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying and listing agent with a specified office in Luxembourg. The Issuer will cause at least 30 days' prior notice of any replacement of the Luxembourg Paying Agent to be given in accordance with Condition 18 (*Notices*).

- 10.6 *Other Paying Agents*: Subject to the provisions set forth in Conditions 10.4 (*Principal Paying Agent*) and 10.5 (*Luxembourg Paying Agent*), the Issuer agrees that there will at all times be a Paying Agent located in a Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law (whether of a Member State of the European Union or a non-Member State) implementing or complying with, or introduced in order to conform to, the Directive.

11. **Taxation**

- 11.1 *Gross up*: All payments of principal and interest in respect of the Notes by the Issuer, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Italy, as the case may be, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by a relevant holder or beneficial owner of the Notes which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Italy other than the mere holding of such Note; or
- (ii) held by any Noteholder who would be entitled to avoid such withholding or deduction by making a declaration of residence or non-residence or other similar claim for exemption and fails to do so in due time;
- (iii) where such withholding or deduction is imposed on a payment to an individual or to certain limited types of entities established in that other Member State and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) in relation to any payment or deduction on principal, interest or other proceeds of any Note on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239, as amended or supplemented from time to time;
- (v) held by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union;
- (vi) in relation to any payment to be requested in the Republic of Italy;
- (vii) in relation to any payments to be requested more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had requested such payment in respect of such Note on the last day of such period of 30 days;
- (viii) held by a holder of the Note being (i) the beneficial owner of the Note and (ii) a resident of the Republic of Italy;
- (ix) if such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto; and
- (x) any combination of items (i) through (x).

11.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

12. **Events of Default**

12.1 If any of the following events occurs and is continuing, then the Representative of the Noteholders at its discretion may and, if so directed by an Extraordinary Resolution of all Series of Notes, shall (subject, in the case of the occurrence of any of the events mentioned in paragraph (b) (*Breach of other obligations*) below, to the Representative of the Noteholders having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases, to the Representative of the Noteholders having been indemnified or provided with security to its satisfaction), give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within one day, or fails to pay any amount of interest in respect of the Notes

within three days, in each case, of the due date for payment thereof; or

- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other material obligations under or in respect of the Notes and such default (i) is, in the opinion of the Representative of the Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 30 days or such longer period as the Representative of the Noteholders may agree upon with the Issuer, after the Representative of the Noteholders has given written notice thereof to the Issuer; or
- (c) *Cross-default of Issuer*:
 - (1) any Indebtedness of the Issuer which, taken individually or in the aggregate, exceeds €100,000,000 (or its equivalent in any other currency or currencies) (i) is not paid when due or (as the case may be) within any applicable grace period, or (ii) becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer; or
 - (2) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness, taken individually or in the aggregate, in excess of €100,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an amount in excess of Euro 10,000,000 (or its equivalent in any other currency or currencies), in aggregate, is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial (in the opinion of the Representative of the Noteholders) part of the undertaking, assets and revenues of the Issuer, and such taking of possession or appointment is not terminated within 90 days of the date hereof; or
- (f) *Insolvency*: the Issuer:
 - (1) is adjudicated or found bankrupt or insolvent; or
 - (2) becomes subject to any bankruptcy, compulsory liquidation, or otherwise becomes subject to or initiates or consents to judicial or administrative proceedings under any applicable insolvency, liquidation, composition, or other similar laws; or

- (3) ceases generally to pay its debts or admits in writing its inability to pay its debts as they fall due; or
- (4) enters into, or passes any resolution for, or becomes subject to any order by any competent court or administrative agency, or takes any action in relation to:
 - (A) any arrangement with its creditors generally or any calls of creditors; or
 - (B) the appointment of an administrative or other receiver, administrator, trustee, or other similar official in relation to the Issuer of the whole or substantially the whole of its undertakings or assets; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Unlawfulness*: it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes; or
- (i) *Corporate Reorganisation*: the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for (i) the purposes of a reorganisation, restructuring, merger, amalgamation transfer or contribution of assets or other similar transaction on terms approved by the Representative of the Noteholders or (ii) the purposes of a Permitted Reorganisation.

For the purposes of this provision:

"Permitted Reorganisation" means in respect of the Issuer, an amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction whilst solvent and whereby

- (A) to the extent that the Issuer is not a surviving entity, the resulting company is a Successor in Business of the Issuer. **"Successor in Business"** means, in relation to the Issuer, any company which, as the result of any amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction, (i) assumes all then existing obligations of the Issuer under the Notes, and (ii) carries on, as a successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto and (iii) beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto, or (iv) where item (iii) is not complied with, maintain the same ratings in respect of it and the Notes which were assigned to the Issuer and the Notes, respectively, immediately

prior to the relevant amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction; and

(B) to the extent that the Issuer is the surviving entity, amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction has no material adverse effect on the ability of the Issuer to perform all its liabilities (payment and otherwise) in respect of all then existing obligations of the Issuer of the Notes. For the purposes of this provision, "**material adverse effect**" will be deemed not to have occurred where, upon amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction taking place, the Issuer and the Notes maintain the same ratings which were assigned to them immediately prior to the relevant amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction; or

(j) *Failure to Take Action*: at any time any act, condition or thing which is required to be done, fulfilled or performed by the Issuer in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes admissible in evidence in the Republic of Italy, is not done, fulfilled or performed.

13. **Enforcement**

13.1 No Noteholder may proceed directly against the Issuer to enforce its rights under the Notes unless the relevant action has been previously approved at a Meeting of the holders of all Series of Notes then outstanding and the Representative of the Noteholders has failed to take such action within a reasonable period of time. Following the service of a notice of occurrence of an Event of Default, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, shall be entitled, pursuant to articles 1411 and 1723 of the Italian Civil Code, and subject to being previously indemnified and secured to its or their satisfaction by the Noteholders, to commence any action against the Issuer in the interest of the Noteholders.

14. **Meetings of Noteholders; Modifications, Consents and Waivers; the Representative of the Noteholders**

14.1 *Meetings of Noteholders*: The Rules of Organisation scheduled to the Agency Agreement contain provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of the Noteholders of a modification of the Notes (including these Conditions).

- 14.2 *Regard to Noteholders:* The Representative of the Noteholders is required, in connection with the exercise of its powers, authorities, duties and discretions under or in relation to the Notes (including these Conditions), to have regard to the interests of the Noteholders, it shall have regard to the interests of all the Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Representative of the Noteholders shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.
- 14.3 *The Organisation of Noteholders:* The Organisation of Noteholders shall be established upon and by virtue of the issuance of the first Series (or, at any time, if no Notes are outstanding under the Programme, by the issuance of any further Notes thereunder). The Organisation of Noteholders shall remain in force and in effect until repayment in full or cancellation of all the Notes issued under the Programme.
- 14.4 *Appointment of the Representative of the Noteholders:* Pursuant to the Rules of Organisation, and paragraph 20 of Article 5, for as long as any Note is outstanding, there shall be at all times one Representative of the Noteholders for all Noteholders which shall act in their interest and behalf in accordance with the powers, discretions and rights conferred upon it pursuant to the Rules of Organisation and paragraph 20 of Article 5. The appointment of the initial Representative of the Noteholders, as legal representative of the Organisation of Noteholders, is made in the Subscription Agreement relating to the first issue of Notes pursuant to the Dealer Agreement. At the time of any subsequent issue of Notes, the then Representative of the Noteholders shall be appointed also in relation to such new Notes pursuant to the relevant Subscription Agreement. Each Noteholder is deemed to accept such appointment. The Representative of the Noteholders may be replaced in accordance with the provisions set out in the Rules of Organisation.
- 14.5 *Modification:* The Notes and these Conditions may be amended with the consent of the Representative of the Noteholders but, without the need of convening a meeting of the Noteholders (albeit without prejudice to the right of the Representative of the Noteholders to call such a meeting) to correct a manifest error or to effect a modification or formal, minor and technical nature.
15. **Prescription**
- 15.1 Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

15.2 In this Condition 15 (*Prescription*), the "**Relevant Date**", in respect of a Note, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the monies payable in respect of all Notes and accrued on or before that date has not been duly received by the Principal Paying Agent or the Representative of the Noteholders on or prior to such date) the date on which notice that the full amount of such monies has been received is duly given to the Noteholders in accordance with Condition 18 (*Notices*).

16. **Agents**

16.1 In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

16.2 The initial Paying Agents appointed by the Issuer and their initial specified offices are listed below. The Paying Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor paying agent or Principal Paying Agent and additional or successor paying agents, provided that the Issuer shall at all times maintain:

- (a) a Principal Paying Agent in Italy whilst the Notes are deposited with Monte Titoli;
- (b) a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC, as implemented;
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system; and
- (d) a Calculation Agent in relation to each Series of Notes.

Notice of any change in any of the Paying Agents or the Calculation Agent or in their specified offices shall promptly be given to the Noteholders.

17. **Further Issues**

17.1 The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the issue price) so as to form a single series with the Notes.

18. **Notices**

- 18.1 *Publication:* Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given through the systems of Monte Titoli, and, as long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, if published on the Luxembourg Stock Exchange website (www.bourse.lu). 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 in the manner required in one of the newspapers referred to above.
- 18.2 *Variation:* The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its or their opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

19. **Currency Indemnity**

- 19.1 If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such

calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Redenomination, Renominalisation and Reconventioning**

21.1 *Application:* This Condition 21 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

21.2 *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

21.3 *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

(i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the 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, with the agreement of the Principal Paying Agent then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;

(ii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency 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 Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be

credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.

- 21.4 *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

22. **Governing Law and Jurisdiction**

- 22.1 *Governing law:* The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.
- 22.2 *Jurisdiction:* The courts of Rome are to have exclusive jurisdiction to settle any dispute arising from or connected with the Notes.

FORMS OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).

Final Terms dated [•]

Cassa depositi e prestiti S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 13,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 19 May 2014 [and the supplement[s] to it dated [•] [and [•]]] which [together] constitute[s] a base prospectus for the purposes of the Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as subsequently amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**")). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. However, a summary of the issue of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [is] [are] available for viewing at website of CDP www.cassaddpp.it as well as on the website of the Luxembourg Stock Exchange, www.bourse.lu. Copies may be obtained from the Issuer during normal business hours at [address]].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 21 May 2013 [and the supplement[s] to it dated [•] which are incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement[s] to it dated [•], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement[s] to it dated [•] [and [•]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- 80-

Denominations)

6. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date: [•]
7. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis: [[•] per cent. Fixed Rate]
- [EURIBOR]/[LIBOR]] +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- [Floating rate: CMS Linked Interest Rate
(further particulars specified below)]
9. Change of Interest: [Applicable/Not Applicable]
- (Specify the date when any change from fixed to floating rate or vice versa occurs or cross refer to paragraphs 13 and 14 below and identify there)*
10. Put/Call Options: [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
11. [Date [Board] approval for issuance of Notes obtained: [•] [registered with the Companies' Registry of [Rome] on [•] [and [•], respectively]
- (N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

12. Partly Paid: [Applicable] / [Not Applicable]
 [(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate[(s)] of Interest: [•] per cent. per annum payable
 [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [the Business Day Convention set out in (vii) below and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]

(iii) Fixed Coupon Amount[(s)]: [•] per [•] in Nominal Amount

(iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*

(v) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

(vi) [Determination Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is*

	<i>Actual/Actual ([ICMA])</i>
(vii) Business Day Convention:	[Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention / Not Applicable]
14. Floating Rate Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Interest Period(s):	[•]
(ii) Specified Interest Payment Dates:	[•]
(iii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(iv) Additional Business Center(s)	[Not Applicable] / [•]
(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi) Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[•]
(vii) Screen Rate Determination:	
• Reference Rate:	[For example, LIBOR or EURIBOR]/[CMS Reference Rate/Leveraged CMS Reference Rate 2/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]

Reference Currency: [•]

Designated Maturity: [•]/[The CMS Rate having a Designated Maturity of [•] shall be "**CMS Rate 1**" and the CMS Rate having a Designated Maturity of [•] shall be "**CMS Rate 2**"]

(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)

- Relevant Screen Page:

[For example, Reuters EURIBOR 01]

(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)

- Interest Determination Date(s):

[•]

(In the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 system is open prior to the start of each interest Period]

(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]

- Relevant Time:

[For example, 11.00 a.m. London time/Brussels time]

- Relevant Financial Centre:

[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]

- Cap:

[[•] per cent. per annum]

- Floor:

[[•] per cent. per annum]

• Leverage:	[[•] per cent.]
(viii) ISDA Determination:	
• Floating Rate Option:	[•]
• Designated Maturity:	[•]
• Reset Date:	[•]
	<i>(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)</i>
(xi) Margin(s):	[+/-][•] per cent. per annum
(xii) Minimum Rate of Interest:	[•] per cent. per annum
(xiv) Maximum Rate of Interest:	[•] per cent. per annum
(xv) Day Count Fraction:	[Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]
15. Zero Coupon Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Day Count Fraction in relation to early Redemption Amounts:	[Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16. Call Option

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s) (Call): [•]

(ii) Optional Redemption Amount(s) (Call): [•] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [•] per Calculation Amount

(b) Maximum Redemption Amount [•] per Calculation Amount

(iv) Notice period: [•]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)

17. Put Option

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s): [•] per Calculation Amount

(iii) Notice period: [•]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through

intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)

18. **Final Redemption Amount of each Note** [•] per Calculation Amount

19. **Early Redemption Amount**

Early Redemption Amount(s) of each Note [Not Applicable] / [[•] per
payable on redemption for taxation reasons or Calculation Amount]]
on event of default or other early redemption:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Financial Centre(s): [Not Applicable/[•]]

Note that this item relates to the date and place of payment, and not interest period and dates, to which items 13 (ii) and 14(iv) relate]

21. Talons for future Coupons to be attached to Notes (and dates on which such Talons mature): [Yes/No.]

22. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•]] apply]

23. Details relating to Partly Paid Notes (amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/[•]]
(N.B. Note that payments of the Issue Price in relation to Partly Paid Notes will be effected in a maximum of 10 instalments during a maximum period of 3 months from the Issue Date)]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [the Official List of the Luxembourg Stock Exchange]/ [•] / [None]

(ii) Admission to trading: [Application has been made to be admitted to trading on the [•] / [Regulated Market of the Luxembourg Stock Exchange] with effect from [•].] [Not Applicable.]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]:

[Fitch: [•]]

[Moody's: [•]]

[Standard & Poor's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (as amended by Regulation (EU) 513/2011 of 11 May 2011), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]/[[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009. (as amended by Regulation (EU) No. 513/2011 of 11 May 2011) and is included in the list of registered credit rating agencies published on the website of the European

Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> / [[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009, (as amended by Regulation (EU) No. 513/2011 of 11 May 2011).]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 (as amended by Regulation (EU) No. 513/2011 of 11 May 2011) (“CRA Regulation”) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:]

“[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)”]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer

[•]

(See [“Use of Proceeds”] wording in Base Prospectus if reasons for offer different from making profit and/or hedging certain risks will need to

include those reasons here.))]

[(ii) Estimated net proceeds: [•]

(See [“Use of Proceeds”] wording in Base Prospectus if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.))]

[(iii) Estimated total expenses: [•] *[Include breakdown of expenses.]*

(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.))]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [[•]/Not Applicable]

6. HISTORIC INTEREST RATES (Floating Rate Notes only)-

Details of historic [LIBOR/EURIBOR/ replicate other as specified in the Conditions] rates can be obtained from [Reuters][Not Applicable].

7. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

8. DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

- (iii) Date of [Subscription] Agreement [•] [Not Applicable]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/ give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/ give name and address]
- (vi) Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
- (vii) U.S. Selling restriction: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA Not Applicable]
- (viii) Offer to the Public: [Not Applicable] [An offer of the Notes may be made by the Managers [, *[insert names of financial intermediaries receiving consent (specific consent)]* (the "**Initial Authorised Offerors**") [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Offer to the Public and who are identified on the Issuer's website at www.cassaddpp.it as an Authorised Offeror] (together [with any financial intermediaries granted General Consent], being persons to whom the issuer has given consent, the "**Authorised Offerors**") other than pursuant to Article 3(2) of the Prospectus Directive, in [Austria], [Belgium], [France], [Germany], [Portugal], [Republic of Italy], [Spain],

[Sweden], [the Netherlands], [the United Kingdom] (the "**Public Offer Jurisdictions**").

- (ix) Offer Period: [specify date] until [specify date]
- (x) General Consent: [Applicable][Not Applicable]
- (xi) Other conditions to consent: [Not Applicable] *[Add here any other conditions to which the consent given is subject].*

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make an Offer to the Public [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus] in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Offers to the Public may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

9. TERMS AND CONDITIONS OF THE OFFER *(delete whole section if subparagraph 8(viii) above is specified as Not Applicable)*

- (a) Offer Price: [Issue Price/Not Applicable/specify]
- (b) Conditions to which the offer is subject: [Not Applicable/give details]
- (c) Offer Period: See paragraph [8(viii) above]
- (d) Description of the application process: [Not Applicable/give details]
- (e) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- (f) Details of the minimum and/or maximum amount of application: [Not Applicable/give details]
- (g) Details of the method and time limits for [Not Applicable/give details]

paying up and delivering the Notes:

- (h) Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]
- (i) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]
- (j) Whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]
- (k) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]
- (l) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (m) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None] / [•]

SUMMARY OF THE ISSUE

This summary relates to [insert description of Notes] described in the final terms (the "**Final Terms**") to which this summary is annexed. This summary contains that information from the summary set out in the Base Prospectus which is relevant to the Notes together with the relevant information from the Final Terms. Words and expressions defined in the Final Terms and the Base Prospectus have the same meanings in this summary.

[Insert completed summary by amending and completing the summary of the Base Prospectus as appropriate to the terms of the specific issue].

Set out below is the form of Final Terms which will be completed for each Tranche of Notes with a denomination of at least EUR 100,000 (or its equivalent in another currency) or more issued under the Programme.

Final Terms dated [•]

Cassa depositi e prestiti S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 13,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 19 May 2014 [and the supplement[s] to the Base Prospectus dated [•] [and [•]] which [together] constitute[s] a base prospectus for the purposes of the Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as subsequently amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**")). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement to the Base Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 21 May 2013 [and the supplement[s] to it dated [•] which are incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement[s] to it dated [•], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement[s] to it dated [•] [and [•]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus [and the supplement[s] dated [•]. The

Base Prospectus has been published on [Issuer's/financial intermediaries'/regulated market/competent authority] website.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|----|--|--|
| 1. | [(i)] Series Number: | [•] |
| | [(ii) Tranche Number: | [•] |
| | [(iii) Date on which the Notes become fungible: | [Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the with <i>[Tranche [•]]</i> of <i>[Aggregate Nominal Amount of Tranche][Title of Notes]</i> on <i>[insert date/the Issue Date]</i> |
| 2. | Specified Currency or Currencies: | [•] |
| 3. | Aggregate Nominal Amount of Notes [admitted to trading]: | [•] |
| | [(i)] Series: | [•] |
| | [(ii) Tranche: | [•] |
| 4. | Issue Price: | [•] per cent of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date] (if applicable)</i>] |
| 5. | [(i)] Specified Denominations: | [•]
[•] |

[Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000]

- (or its equivalent in other currencies))
- [(ii)] Calculation Amount: [•] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*
6. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date [•]
7. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis: [• per cent. Fixed Rate]
 [[Euribor]/[Libor] +/- • per cent. Floating Rate]
 [Zero Coupon]
 [Floating Rate: CMS Linked Interest Rate (further particulars specified below)]
9. Change of Interest: [Applicable]/[Not Applicable]
(Specify the date when any change from fixed to floating rate or vice versa occurs or cross refer to paragraphs 13 and 14 below and identify there)
10. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
11. [Date [Board] approval for issuance of Notes obtained] [•] [registered with the Companies' Registry of [Rome] on [•]] [and [•], respectively
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

12. Partly Paid: [Applicable]/[Not Applicable]
[(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable / Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable
[annually/semi-
annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance
with *[the Business Day Convention set
out in (vii) below and any applicable
Additional Business Centre(s) for the
definition of "Business Day"]*/not
adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per [•] in Nominal Amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final
broken interest amounts which do not
correspond with the Fixed Coupon
Amount[(s)]]*
- (v) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] /
[Actual/Actual (ISDA)] / [Actual/365
(Fixed)] / [Actual/360] / [30/360] /
[30E/360] / [Eurobond Basis] /
[30E/360 (ISDA)]
- (vi) Determination Dates: [•] in each year *(insert regular interest
payment dates, ignoring issue date or
maturity date in the case of a long or
short first or last coupon. N.B. only
relevant where Day Count Fraction is
Actual/Actual ([ICMA]))*
- (vii) Business Day Convention: [Following Business Day Convention/
Modified Following Business Day
Convention/ Preceding Business Day
Convention/ Not Applicable]

14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s) [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Additional Business Centre(s): [Not Applicable]/ [•]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [•]
- (vii) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]/[CMS Reference Rate/Leveraged CMS Reference Rate/Leveraged CMS Reference Rate 2/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]
Reference Currency: [•]
Designated Maturity: [•]/[The CMS Rate having a Designated Maturity of [•] shall be "CMS Rate 1" and the CMS Rate having a Designated Maturity of [•] shall be "CMS Rate 2"]
(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)
 - Relevant Screen Page: [For example, Reuters EURIBOR 01]

(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)

- Interest Determination Date(s): [•]

(In the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 system is open prior to the start of each interest Period]

(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]

- Relevant Time: [For example, 11.00 a.m. London time/Brussels time]

- Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]

- Cap: [[•] per cent. per annum]

- Floor: [[•] per cent. per annum]

- Leverage: [[•] per cent.]

(viii) ISDA Determination:

- Floating Rate Option: [•]

- Designated Maturity: [•]

- Reset Date: [•]

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)

- (ix) Margin(s): [+/-] [] per cent per annum

- (x) Minimum Rate of Interest: [•] per cent per annum
- (xi) Maximum Rate of Interest: [•] per cent per annum
- (xii) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

15. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [•] per cent per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to early Redemption Amounts: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16. **Call Option**

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) (Call): [•]
- (ii) Optional Redemption Amount(s) (Call): [•] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and

custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)

17. **Put Option**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s):

[•]

(ii) Optional Redemption Amount(s):

[•] per Calculation Amount

(iii) Notice period:

[•]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Representative of the Noteholders)

18. **Final Redemption Amount of each Note**

[[•] Calculation Amount]

19. **Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [[Not Applicable] / [[•] per Calculation Amount]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Financial Centre(s):

[Not Applicable/[•]]

Note that this item relates to the date and place of payment, and not interest period and dates, to which items 13 (ii) and 14(iv) relate]

21. Talons for future Coupons to be attached to Notes (and dates on which such Talons mature): [Yes]/[No]
22. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•]] apply]
23. Consolidation provisions: [Not Applicable/The provisions [in Condition [•]] apply]
24. Details relating to Partly Paid Notes (amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/[•]]
(N.B. Note that payments of the Issue Price in relation to Partly Paid Notes will be effected in a maximum of 10 instalments during a maximum period of 3 months from the Issue Date)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [The Official List of Luxembourg Stock Exchange] / [•]
/ [None]
- (ii) Admission to trading: [Application has been made to be admitted to trading on the [•] [Regulated Market of the Luxembourg Stock Exchange] with effect from [•].] [Not Applicable.]
- (iii) Estimate of total [•]
expenses related to
admission to trading:

2. RATINGS

Ratings: The Notes to be issued have been rated:

[Fitch: [•]]

[Moody's: [•]]

[S & P: [•]]

[[Other]: [•]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (as amended by Regulation (EU) 513/2011 of 11 May 2011), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]/ [[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009. (as amended by Regulation (EU) No. 513/2011 of 11 May 2011) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>] / [[Insert credit rating agency] is not established in the European Union and

has not applied for registration under Regulation (EU) No 1060/2009, (as amended by Regulation (EU) No. 513/2011 of 11 May 2011).]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 (as amended by Regulation (EU) No. 513/2011 of 11 May 2011) ("CRA Regulation") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:]

“[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)”]

4. **YIELD (Fixed Rate Notes only)**

Indication of yield: [•] / [Not Applicable]

5. **HISTORIC INTEREST RATE (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters]. / [Not Applicable]

6. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) [Not Applicable/give name(s) and number(s)]
other than Monte Titoli,

Euroclear Bank S.A./N.V.
and Clearstream Banking
Societe Anonyme and the
relevant identification
number(s):

Delivery: Delivery [against/free of] payment

Names and addresses of [•]
additional Paying Agent(s)
(if any):

7. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names and [Not Applicable/give names,
addresses of Dealers and addresses and underwriting
underwriting commitments: commitments]

*(Include names and addresses of
entities agreeing to underwrite the
issue on a firm commitment basis and
names and addresses of the entities
agreeing to place the issue without a
firm commitment or on a "best
efforts" basis if such entities are not
the same as the Dealers.)*

(iii) Date of [Subscription] [•] [Not Applicable]
Agreement:

(iv) Stabilising Manager(s) (if [Not Applicable/ give name]
any):

(v) If non-syndicated, name and [Not Applicable/ give name and
address of Dealer: address]

(vi) U.S. Selling restriction: [Reg. S Compliance Category
[1/2/3]; TEFRA D/TEFRA
C/TEFRA Not Applicable]

DESCRIPTION OF CASSA DEPOSITI E PRESTITI

INTRODUCTION

Cassa depositi e prestiti società per azioni ("**CDP**" or the "**Issuer**") is a joint stock company (*società per azioni*) incorporated on 12 December 2003 under the laws of the Republic of Italy. The registered office of CDP and its principal place of business is Via Goito 4, Rome, Italy, telephone number +39 06 42211. CDP is enrolled in the Register of Companies of Rome with registration number and fiscal code 80199230584.

CDP's shares are not listed on any stock exchange. The long-term unsecured, unsubordinated and unguaranteed debt obligations of CDP are rated BBB+ by Fitch Ratings, Baa2 by Moody's and BBB by S&P. A long term, unsecured unsubordinated and unguaranteed debt securities rating of (i) 'BBB+' by Fitch Ratings indicates that expectations of default risk are currently low and that the capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity; (ii) 'Baa' by Moody's indicates that the issuer's debt securities are subject to moderate credit risk - they are considered medium grade and as such may possess certain speculative characteristics; and (iii) 'BBB' by S&P indicates an adequate capacity to meet financial commitments, but that the securities are more subject to adverse economic conditions. Each of Fitch Ratings, Moody's and S&P is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

HISTORY

Law No. 1270 of 17 May 1863 originally established Cassa depositi e prestiti through the merger of several financial institutions into the Public Debt General Department (*Direzione Generale del Debito Pubblico*) and, as such, for approximately one century, Cassa depositi e prestiti was a General Department of the Ministry of Treasury of the Republic of Italy, however with financial and accounting autonomy from the Italian State. Pursuant to Law No. 197 of 13 May 1983, the General Department was abolished and Cassa depositi e prestiti was

set up as an independent administration (*amministrazione autonoma*). Legislative Decree No. 284 of 30 July 1999 reformed Cassa depositi e prestiti and classified it as a national public body (*amministrazione dello Stato*) with legal status and regulatory, organisational, economic and accounting autonomy.

Pursuant to Article 5, paragraph 1 of Law Decree 269, Cassa depositi e prestiti was transformed and incorporated, as of 12 December 2003, as a joint stock company under the name of “*Cassa depositi e prestiti società per azioni*” and all assets, liabilities, rights and obligations owned by or owed to Cassa depositi e prestiti prior to its transformation into a joint stock company were transferred to CDP, with the exception of certain assets and liabilities which were transferred to the Ministry of Economy and Finance (the “**MEF**”), in accordance with the provisions of Article 5.

The duration of CDP, pursuant to article 4 of CDP's by-laws, is set until 31 December 2100, unless otherwise extended by shareholders' resolution.

REGULATION

The corporate existence and activity of CDP is mainly regulated by and subject to the following laws and regulatory provisions:

- (i) Article 5 of Law Decree 269 setting out, *inter alia*, (a) the corporate purpose of CDP, (b) the structure of its financial management strategy, and (c) the special powers vested in the MEF in respect of CDP;
- (ii) the provisions of Title V of the Banking Act taking into account CDP's legal status and organisation and the special provisions regulating the Separate Account System (as defined below);
- (iii) the provisions of the Italian Civil Code applicable to Italian companies, to the extent and in relation to aspects that are not regulated by special provisions regarding CDP; and
- (iv) the decrees of the MEF regarding, *inter alia*, CDP's share capital, its shareholdings, the special powers assigned to CDP, the latter's assets and liabilities and its business activity. In this regard, the following decrees have been issued by the MEF:
 - (a) the ministerial decree of 5 December 2003 establishing, *inter alia*, (i) the share capital of CDP; (ii) the transfer of shareholdings in ENEL S.p.A. (“**ENEL**”), ENI S.p.A. (“**ENI**”) and Poste Italiane S.p.A. (“**Poste Italiane**”) from the MEF to CDP; and (iii) the guidelines for managing the Separate Account System;
 - (b) the ministerial decree of 18 June 2004 establishing the guidelines for managing the shareholdings transferred from the MEF to the Separate Account System of CDP, providing, *inter alia*, that (i) any act of disposal and/or transfer of any transferred shareholding and the relevant voting rights must have been previously

agreed between CDP and the MEF and (ii) CDP must previously consult with the MEF and follow the MEF's directives in carrying out any other managing act related to such transferred shareholding;

- (c) the MD 2004 (as defined below) setting out *inter alia*, the criteria relating to the establishment of terms and conditions for postal savings deposits (*libretti di risparmio postale*), interest bearing postal bonds (*buoni fruttiferi postali*), notes, financings or other financial transactions guaranteed by the Republic of Italy by means of which CDP can raise funds pursuant to letter (a) of paragraph 7 of Article 5 and providing that (i) the raising of funds by CDP through postal savings deposits and interest bearing postal bonds guaranteed by the Republic of Italy is a service of general public interest; (ii) the lending activities of CDP in favour of local entities may be funded through debt instruments and other forms of borrowing, with or without the benefit of a guarantee from the Republic of Italy; and (iii) the rights of the Republic of Italy in respect of the repayment of any amount paid under any guarantee given for CDP's obligations to be exercised in a way which would not prejudice the claims of public entities arising from the Separate Account System, the achievement of its general public interest and its title to the shareholdings transferred to it by decree of the MEF;
- (d) the ministerial decree of 27 January 2005 establishing that CDP may acquire shareholdings and participations in other companies provided that these are instrumental, ancillary or related to its corporate purpose, except for what has already been transferred, bought or in some manner authorised as of the date of the same decree, as well as potential increases in the amount of shareholdings that were transferred when CDP was transformed into a joint stock company;
- (e) the ministerial decree of 12 March 2009 establishing the criteria for identifying the transactions promoted by public entities which may be financed under the amended letter (a) of paragraph 7 of Article 5 (for more details see below paragraph "*Financing of transactions promoted by Public Entities*");
- (f) the ministerial decree of 22 January 2010 authorising and regulating CDP's activities towards SACE S.p.A. in order to create, under market conditions, an integrated system for the internationalisation of enterprises (for more details see below paragraph "*Financing in support of enterprises and other entities*");
- (g) the ministerial decree of 30 November 2010 establishing the transfer from the MEF to CDP of 655,891,140 ENI shares, and the corresponding transfer from CDP to the MEF of its entire shareholdings in ENEL, Poste Italiane and STMicroelectronics Holding NV;
- (h) the ministerial decree of 3 May 2011 establishing the characteristics of the companies of major national interest where CDP either directly or through vehicle

companies or investments funds can acquire participations (for more details see below);

- (i) the ministerial decree of 28 December 2012 establishing the transfer price for the purchase of SACE S.p.A. (“**SACE**”) and Simest S.p.A. (“**Simest**”).

Pursuant to some recent legal provisions, CDP’s corporate purpose has been expanded to cover some new activities.

Article 22 of Law Decree No. 185 of 29 November 2008 as converted with modifications into law (“**Law Decree 185**”) established that (i) the funds indicated in letter (a) of paragraph 7 of Article 5 – i.e. the funds to be raised by means of demand postal savings deposits (*libretti di risparmio postale*) and interest bearing postal bonds (*buoni fruttiferi postali*), guaranteed by the Republic of Italy and distributed through Poste Italiane or its subsidiaries, as well as by means of issues of financial instruments, borrowings and other financial transactions that may be guaranteed by the Republic of Italy (the “**Article 5, Paragraph 7, Letter (a) Funds**”) – shall be utilised (in addition to the traditional CDP activity of financing the public entities identified in letter (a) of paragraph 7 of Article 5) also for the realisation of any other transaction of public interest, as provided by CDP’s by-laws, in favour of or promoted by such public entities, taking into consideration the economic and financial feasibility of each such transaction; (ii) such transactions may be carried out also without applying the criteria for the establishment of general terms and conditions of the loans for the purpose of ensuring that the relevant borrower is granted free access to, as well as equal and non-discriminatory contractual treatment in incurring, such indebtedness; (iii) the general criteria to select the transactions to be financed under the amended letter (a) of paragraph 7 of Article 5 are to be established by decree of the MEF. In the implementation thereof the MEF has adopted the above mentioned decree of 12 March 2009. For more details see paragraph “*Financing of transactions promoted by Public Entities*”.

Article 3, paragraph 4-bis of Law Decree No. 5 of 10 February 2009 (“**Law Decree 5**”) - implemented by Law No. 33 of 9 April 2009 - provides (i) that the intervention of CDP in the transactions comprised in the amendment (by virtue of Law Decree 185) to letter (a) of paragraph 7 of Article 5 can be carried out in any form, including by granting loans, issuing guarantees, making equity investments and debt transactions, directly by CDP and/or with the intermediation of entities authorised to carry out lending activities, and (ii) that such intervention of CDP can be carried out also in favour of small and medium-sized enterprises for the purpose of supporting the economy. For more details see paragraph “*Financing in support of enterprises and other entities*”.

Article 8 of Law Decree No. 78 of 1 July 2009, as converted into law (“**Law Decree 78**”) states that (i) the MEF shall, by means of decrees, authorise and regulate CDP’s activities towards SACE – i.e. the company operating in the sector of insurance and security for companies’ export credit and foreign investments whose entire share capital, following the recent acquisition from MEF, is currently owned by CDP – in order to create, under market

conditions, an integrated system for the internationalisation of enterprises, and (ii) for this purpose, among the transactions of public interest that CDP can carry out by means of the Article 5, Paragraph 7, Letter (a) Funds, CDP may also carry out transactions in order to support the internationalisation of enterprises when such transactions are assisted by an insurance, security or guarantee issued by SACE. For more details see paragraph *“Financing in support of enterprises and other entities”*.

Article 2, paragraph 235 of Law No. 191 of 23 December 2009 (the budget law for the year 2010 (*legge finanziaria 2010*)) (the **“Budget Law 2010”**) has modified article 3, paragraph 4-*bis* of Law Decree 5 in order to provide that the intervention of CDP in favour of small and medium-sized enterprises can be carried out not only with the intermediation of entities authorised to carry out lending activity (as initially provided by Law Decree 5) but also through the subscription of participations in investment funds managed by asset management companies authorised to carry out the service of collective portfolio management pursuant to article 33 of Legislative Decree No. 58 of 24 February 1998 whose corporate purpose fulfils one or more institutional objectives of CDP. For more details see paragraphs *“Financing in support of enterprises and other entities”*.

Article 7 of Law Decree No. 34 of 31 March 2011, as converted into law, has introduced a new paragraph 8-*bis* in Article 5 that enables CDP to acquire shareholdings in companies of major national interest which possess certain characteristics to be specified in a decree of the MEF, such as a stable financial position and performance and adequate profit-generating prospects (see sub-paragraph (iii) (h) above). Such equity investments may also be acquired through vehicle companies or investment funds. In the event such acquisitions are financed with resources from postal funding indicated in letter (a) of paragraph 7 of Article 5, they shall be recognised under the Separate Account System.

The Prime Minister’s decree of 25 May 2012, in setting out the procedures for the disposal of ENI’s holding in SNAM S.p.A. (**“SNAM”**) and designating CDP as the most appropriate entity to ensure a stable core of shareholders for SNAM, has specified new governance arrangements designed to ensure the separation of the owner of natural gas production and supply activities from the owner and operator of gas transport activities. These arrangements also apply to the management of Terna S.p.A., applying – in general – to the management of the equity investments held by CDP in subsidiaries that operate key national energy infrastructure.

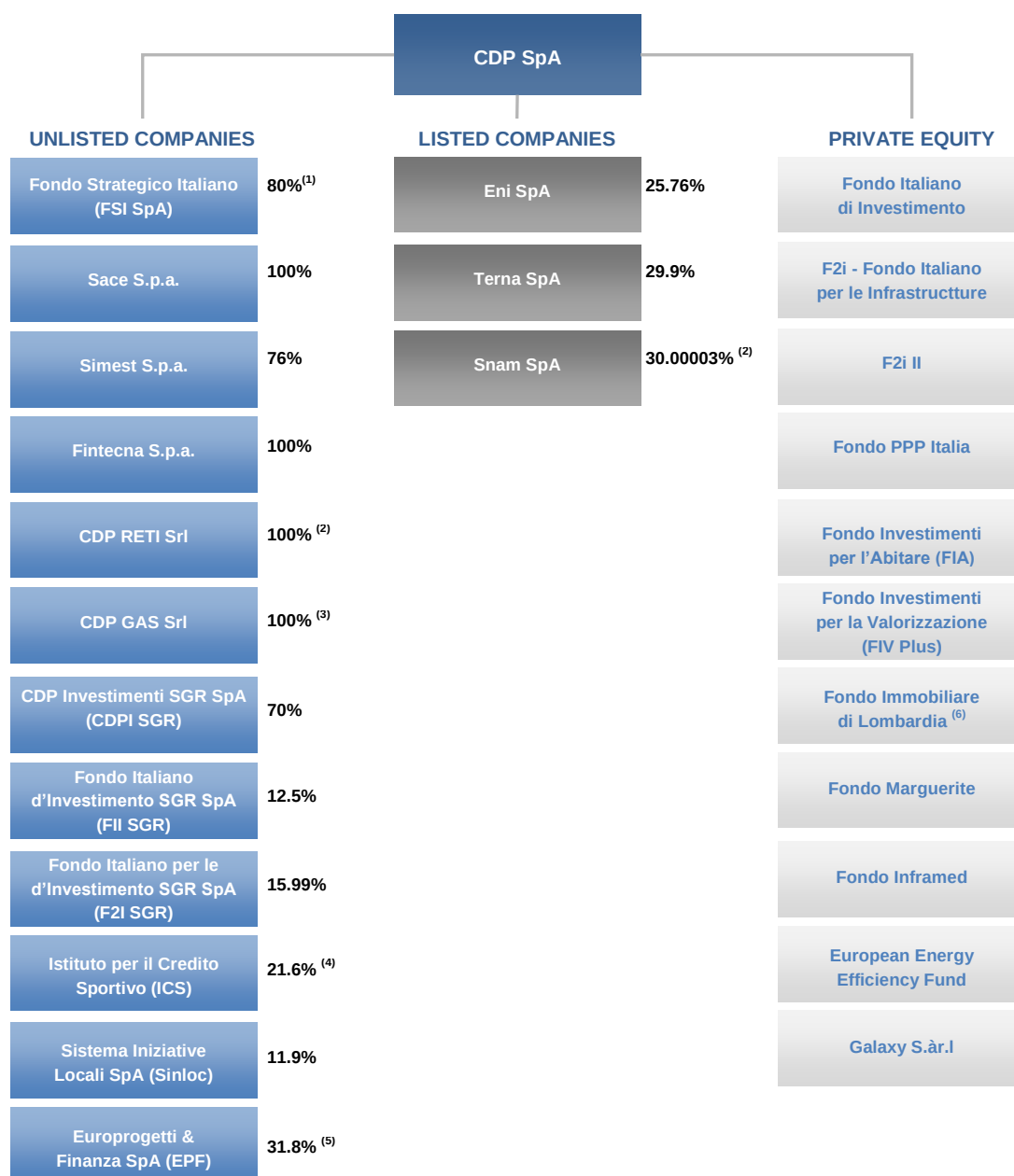
Article 23 bis of Law Decree no. 95 of 6 July 2012, as converted into law, outlines the provisions for the exercise of the option of CDP to acquire 100 per cent. of SACE and Fintecna S.p.A. from the MEF, and 76 per cent. of Simest from the Ministry of Economic Development.

Article 6, paragraph 1 of Law Decree No. 102 of 31 August 2013, converted into law with modifications by Law No. 124 of 28 October 2013, introduced two new paragraphs, 7-*bis* and 8-*ter*, in Article 5 with regard to the financing of the residential building sector through the

banking system and the purchase of bank bonds backed by portfolios of mortgage-backed loans on residential properties and/or securities issued pursuant to the provisions of Law 130 of 30 April 1999 as part of securitizations of claims in respect of mortgage-backed loans on residential properties.

Article 1 of Law no. 147 of 27 December 2013 and Law Decree No. 69 of 21 June 2013, converted into law with modifications by Law No. 98 of 9 August 2013, have introduced a new paragraph *8-quater* related to the purchase of securities issued pursuant to Law No. 130 of 30 April 1999 as part of securitizations of loans to small and medium-sized enterprises, with a view to expanding the volume of lending to such enterprises.

CDP is the main shareholder of certain major Italian companies operating in Italy and abroad. The following is a structure chart showing CDP's holdings:



(1) CDP Group

(2) By virtue of its ownership of 100% of CDP RETI Srl., CDA SpA holds a 30.00003% interest in the voting capital of Snam SpA

(3) CDP GAS Srl holds 89.0% of Trans Austria Gasleitung GmbH (TAG)

(4) Shareholding in the capital of ICS, residual public bank pursuant to Article 151 of TUB (the Italian Banking Law) and independently managed public organisation

BUSINESS OVERVIEW

Main Corporate Activities

Pursuant to paragraph 7 of Article 5, as recently amended, and to article 3 of CDP's by-laws, as amended in order to reflect recent legislation, CDP's corporate purpose is the carrying out,

directly or indirectly, also by way of shareholdings and participations in companies and other entities, of the following activities:

- (A1) any sort of financing, including by way of the purchase of receivables, of the Republic of Italy, Italian regions, local authorities, public entities and public law bodies (hereinafter, the “**Public Entities**”) by using the Article 5, Paragraph 7, Letter (a) Funds. As part of this activity, CDP may also carry out derivatives transactions on its own account in compliance with applicable law;
- (A2) any sort of financing, including by way of the purchase of receivables, the issue of guarantees, the acquisition of equity capital or debt capital, the subscription of investment fund units, entered into with the Public Entities or directed at transactions of public interest promoted by such Public Entities, in accordance with the criteria established by the relevant MEF decree, or directed at the public interest initiatives provided for in article 8 of Law Decree 78 to support the internationalisation of enterprises when such initiatives are assisted by a guarantee, security or insurance from SACE or another insurer whose obligations are guaranteed by the State or carried out in favour of enterprises for the purpose of supporting the economy. Such financial transactions shall be carried out using the Article 5, Paragraph 7, Letter (a) Funds and may be conducted either directly by CDP or through the banking system, with the exception of transactions in favour of enterprises for the purpose of supporting the economy, which may only be conducted through the banking system or – for the purposes indicated in Article 2 of Law Decree No. 69 of 21 June 2013, ratified with amendments by Law No. 98 of 9 August 2013 – through financial intermediaries authorised to provide finance leases, guaranteed by the banking system, or through the subscription of participations in investment funds managed by asset management companies authorised to carry out the service of collective portfolio management pursuant to article 33 of Legislative Decree No. 58 of 24 February 1998 whose corporate purpose fulfils one or more institutional objectives of CDP. The financial transactions conducted directly by CDP must involve an amount equal to or greater than Euro 25,000,000.00 (twenty five million). Financial transactions carried out for transactions promoted by the Public Entities or directed at the public interest initiatives provided for in article 8 of Law Decree 78 to support the internationalisation of enterprises when such initiatives are assisted by a guarantee, security or insurance from SACE or another insurer whose obligations are guaranteed by the State, may be carried out in favour of public or private entities having legal personality (*soggettività giuridica*), to the exclusion of natural persons. As part of this activity, CDP may also carry out derivatives transactions on its own account in compliance with applicable law;
- (A3) the acquisition of shareholding interests in companies of major national interest - having a stable financial position and performance and adequate profit-generating prospects - that meet the requirements established by the MEF in decrees issued

pursuant to paragraph 8-bis of Article 5. These equity investments may be acquired through corporate vehicles or investment funds in which the company, also with other private or state-owned companies or public entities, holds an interest. In the event such equity investments are acquired using Article 5, Paragraph 7, Letter (a) Funds, they shall be recognised under the Separate Account System pursuant to paragraph 8 of Article 5 and Article 6 of CDP's by-laws;

- (A4) the supply of funding – using the resources referred to in letter (A1) above – to Italian banks and the branches of EU and non-EU foreign banks operating in Italy and authorised to engage in banking, for them to grant loans secured by mortgages on residential properties mainly for the purchase of primary residences or for renovation and energy efficiency enhancement works in compliance with any parameters and priorities established by applicable laws and regulations;
- (A5) the purchase of bank bonds backed by portfolios of mortgaged-backed loans on residential properties and/or securities issued pursuant to the provisions of Law No. 130 of 30 April 1999 as part of securitizations of claims in respect of mortgaged-backed loans on residential properties. If the above bonds and the above securities are purchased using the funds referred to in letter (A1) above, they shall be recognized under the Separate Account System referred to in Article 5, paragraph 8 and in Article 6 of the by-laws;
- (A6) the purchase of securities issued pursuant to Law No. 130 of 30 April 1999 as part of securitizations of loans to small and medium-sized enterprises, with a view to expanding the volume of lending to small and medium-sized enterprises. If the above securities are purchased using the funds referred to in letter (A1) above, they shall be recognized under the Separate Account System referred to in Article 5, paragraph 8 and in Article 6 of the by-laws, and may be guaranteed by the State as provided for by Article 5, paragraph 8-quater.
- (B) any sort of financing, including by way of the purchase of receivables, of projects, plants, networks and assets intended to supply public services and for reclaiming lands, using funds derived from the issue of notes, borrowings and other financial transactions, without the guarantee of the Republic of Italy, with the exclusion of demand deposits. As part of this activity, CDP may also carry out derivatives transactions on its own account in compliance with applicable law;
- (C) the acquisition of shareholdings and participations transferred to or conferred on CDP by decree of the MEF and subject to the Separate Account System pursuant to paragraph 8 of Article 5, as well as any increase of the shareholdings and participations transferred to CDP at the time of its transformation in a joint stock company. The management of such shareholdings and participations is subject to the criteria set forth in the decree of the MEF of 27 January 2005;
- (D) if requested by the MEF, the management of CDP's activities, assets and liabilities belonging to CDP prior to its conversion into a joint stock company, which have

been transferred to the MEF pursuant to paragraph 3(a) of Article 5, as well as the management of any other public function and activity of general interest delegated to it by way of a legislative or administrative act or agreement;

- (E) the supply of assistance and consultancy services in favour of the Public Entities or to support the transactions or the entities referred to in letter (A2); and
- (F) the supply of consultancy services and study, research and analytical activities in the economic and financial fields.

In order to pursue its corporate object, CDP may carry out any instrumental, connected and ancillary transaction such as, inter alia: carrying out commercial, industrial, mortgage, securities, real estate, financial, lending and borrowing transactions; the acquisition of shareholdings and participations and other interests in companies, undertakings, consortia and joint ventures, both in Italy and abroad, which are instrumental, connected or ancillary to the corporate purpose of CDP, pursuant to the decree of the MEF of 27 January 2005, as subsequently amended and integrated; coordinating its subsidiaries and affiliates from an administrative and financial perspective, carrying out any necessary transaction in their favour, including the granting of loans; granting both guarantees and security interests for its own and third parties' obligations; using derivative instruments, also for purposes other than hedging.

Pursuant to paragraph 20 of Article 5, CDP's fund-raising activities are not subject to (i) the restrictions of Article 11 of the Banking Act on fund-raising with the public (save for the exclusion of demand deposits and the requirement of placements to and borrowings from institutional investors only described under paragraph (b) above), or (ii) the maximum thresholds of Italian laws for bond issuances by joint stock companies and more generally to the provisions of the Italian Civil Code on the issuance of bonds.

In connection with any issue of financial instruments by CDP, a representative of noteholders may be appointed in order to act on behalf of noteholders, exercise the powers vested in it, and approve amendments or modifications to the terms and conditions of the relevant transaction. All interest and other income payable in respect of the financial instruments issued by CDP are subject to the provisions of Legislative Decree No. 239, regardless of their terms and maturity.

CDP ACTIVITIES UNDER THE SEPARATE ACCOUNT SYSTEM

The Separate Account System

Pursuant to paragraph 8 of Article 5 and to article 6 of CDP's by-laws, CDP has established a separate account system in which the activities under letters (A1), (A2), (A3), in the circumstances set out in the final paragraph of said letter (A3), (A4), (A5), in the circumstances set out in the final paragraph of said letters (A5), (A6), in the circumstances set out in the final paragraph of said letters (A6), (C), (D) and (E) of article 3 of CDP's by-laws

as well as any other instrumental, connected or ancillary activity, are to be registered and managed (the “**Separate Account System**”). The Separate Account System is established for accounting and organisation purposes only, so that from a legal point of view CDP remains a single legal entity and any creditors of CDP may recover their claims by attaching them to all of CDP's assets (except for those segregated in favour of certain creditors only pursuant to paragraph 18 of Article 5).

The Separate Account System is managed in line with applicable transparency and economic safeguard criteria. Article 6 of CDP's by-laws has been amended in order to specify that, for the transactions referred to in letter (A2) of article 3 of CDP's by-laws, the economic and financial sustainability of each project shall be assessed.

Such organisational and accounting separation aims at highlighting the economic balance of the Separate Account System and at enabling the MEF to exercise its powers to issue guidelines thereon and ensure the compliance with EU legislation on State Aid, competition and transparency.

Pursuant to paragraphs 9 and 11 of Article 5, the MEF has the power to determine the general policies of the Separate Account System and to issue decrees on, *inter alia*, the determination of the criteria for the definition of general economic terms of the demand of postal savings deposits, interest bearing postal bonds, other securities and other financial transactions guaranteed by the Republic of Italy, as well as those for the granting of loans by means of the Article 5, Paragraph 7, Letter (a) Funds and for the management of the shareholdings and participations held by CDP.

The implementation by CDP of the decrees or guidelines issued by the MEF in connection with the Separate Account System is ensured by the attendance of Additional Directors (as defined below) at the meetings of the board of directors of CDP (the “**Board of Directors**”) convened to resolve on matters relating to the Separate Account System (for details on the Additional Directors see paragraph “*Board of Directors and Managing Director*” below). To pass a valid resolution involving the management of the Separate Account System, at least two Additional Directors are required to be present at the board meeting and vote for its adoption.

In addition, the Supervisory Board composed of four members of the Italian Senate (*Senato della Repubblica*), four members of the Italian Chamber of Deputies (*Camera dei Deputati*), three judges of the Council of State (*Consiglio di Stato*), and one judge of the Court of Accounts (*Corte dei Conti*), supervises the Separate Account System of CDP pursuant to paragraph 9 of the Article 5 and Royal Decree No. 453 of 2 January 1913.

CDP and Poste Italiane entered into an agreement for the distribution of postal savings instruments, on 3 August 2011 (as subsequently integrated and modified) for a three-year term ending on 31 December 2013. At the end of the term, the validity of the agreement was extended for another three-year period, Pursuant to such agreement, the remuneration of

Poste Italiane, which is the only distributor of postal savings instruments issued by CDP, is based on, *inter alia*, the total volume of managed instruments and net volumes of postal savings instruments fund-raising in each year. Nonetheless, at the date of this Base Prospectus, CDP and Poste Italiane are discussing the opportunity of modifying a few terms of this agreement, with the aim of improving the distribution of postal savings instruments.

Postal savings - that allow CDP to pursue its institutional mission - is the main source of funding in the Separate Account System for CDP: as of 31 December 2013, postal savings represent 86 per cent. of CDP's total funding in the Separate Account System (€242 billion of €283 billion).

Any and all transactions and business activities entered into by CDP in connection with the funding and the lending under the Separate Account System are exempt from registration tax, stamp duty, mortgage tax and other indirect taxes.

Financing of Public Entities

CDP carries out the traditional activity of financing Public Entities using the Article 5, Paragraph 7, Letter (a) Funds.

By way of Ministerial Decree of 6 October 2004 (*Determinazioni ai sensi dell'art. 5, comma 11, lettere a), b) e c), del D.L. 30 settembre 2003, n. 269 convertito con modificazioni dalla legge 24 novembre 2003, n. 326 ed esercizio del potere di indirizzo della gestione separata della Cassa depositi e prestiti, società per azioni, a norma dell'art. 5, comma 9, del citato decreto-legge*) (“**MD 2004**”), the MEF has set forth, *inter alia*, the criteria applying to CDP's financing of Public Entities, pursuant to which:

- (i) such financing activity carried out by CDP constitutes a service of general economic interest;
- (ii) the relevant loans shall be granted by CDP as specific purpose loans (*prestiti di scopo*), which may be utilised by Public Entities in connection with the carrying out of public interest investments or in connection with other purposes for which the relevant borrowers may incur indebtedness;
- (iii) the process carried out by CDP for the granting of specific purpose loans is aimed at ascertaining whether the relevant borrower fulfils the requirements set forth by applicable legislation (including, *inter alia*, compliance with the debt ratios provided from time to time by law);
- (iv) in carrying out such financing activity, CDP must ensure that each public borrower is granted, amongst its peers, free access, as well as equal and non-discriminatory contractual treatment, therefore the general terms and conditions applicable to such loans are notified by CDP through regulations (*circolari*) published in the Official Gazette and made available on the website of CDP;

- (v) such loans may be granted on a fixed or floating rate basis and the relevant interest rate is predetermined (currently on a weekly basis) and disclosed by way of publication on the website of CDP and in at least one daily newspaper;
- (vi) the financial equivalent of the interest rates applicable to the above-mentioned specific purpose loans shall not exceed, upon calculation at the relevant computation date, the interest rate referred to in article 45, paragraph 32, of Law No. 448 of 23 December 1998 (*Misure di finanza pubblica per la stabilizzazione e lo sviluppo*) as subsequently amended, in relation to loans with repayment obligations on the part of the Republic of Italy (i.e. the interest rate determined from time to time by the MEF on the basis of the market conditions by way of specific notices to be published in the Official Gazette);
- (vii) such loans shall be granted by way of a written contract (which may fail to be entered into as a notarised deed (*atto in forma pubblica*)), a copy of which shall be provided to the borrower together with the general terms and conditions applicable thereto; and
- (viii) in compliance with the provisions of paragraph 24 of Article 5, any and all acts, deeds, agreements, assignments, performances and/or other formalities relating to specific purpose loans, the relevant performance, amendments or modifications and termination shall be exempt from registration tax (*imposta di registro*), stamp duty (*imposta di bollo*) mortgage and cadastral taxes (*imposte ipotecarie e catastali*) and from any other indirect tax or other charge, levy, imposts or duties;
- (ix) CDP may grant loans to Public Entities having characteristics other than those referred to in points (ii) to (vii) above, provided that such other loans are granted to the Public Entities and are destined to be used in connection with measures satisfying a public interest. The characteristics of such loans are set forth by CDP taking into account their specific purpose, the features of the investment to be made by the relevant borrower and the characteristics of the borrower.

As at 31 December 2013, loans to customers and banks totalled Euro 84,617 million, including adjustments for IAS/IFRS purposes, a slight decrease from the end of 2012 (Euro 85,418 million). The limited decline can be attributed to the amount of debt repaid during the period, which more than offset the start of repayment periods for loans granted and the disbursements of loans without a pre-repayment grace period. Including commitments to disburse funds, and excluding IAS/IFRS adjustments, the total stock came to Euro 88,903 million, a 3 per cent. decrease from 31 December 2012 (Euro 92,039 million). The change can be attributed to the fact that the volume of new lending was more than offset by principal repayments falling due at 31 December 2013.

New lending contracted during the 2013 financial year compared with the previous financial year, going from Euro 3,308 million in 2012 to Euro 5,344 million. More specifically, the decline in the volume of new loans granted is mainly due to the drop in loans to the local authorities and to the decrease in loans repayable by the central government. In general, in 2013, the tendency of public entities to reduce their debt continued even more vigorously.

This trend was spurred by a variety of legislative initiatives which, with regard to maximum borrowing ceilings, requires entities with the greatest exposure to gradually lower their stock of debt.

The credit quality of the Public Entities area loan portfolio showed virtually no problem positions and was essentially unchanged compared with 2012.

Financing of transactions promoted by Public Entities

Pursuant to the law provisions mentioned above, the Article 5, Paragraph 7, Letter (a) Funds can now be used by CDP not only to finance Public Entities but also to finance transactions of public interest promoted by such Public Entities in accordance with the criteria established by the relevant MEF decree, and upon satisfactory assessment of the economic and financial feasibility of each such transaction.

On 12 March 2009 the MEF adopted a decree establishing:

- a) the criteria for identifying the transactions promoted by the Public Entities which may be financed under the amended letter (a) of paragraph 7 of Article 5, and which include the following:
 - (i) transactions which benefit from long-term public or European contributions or other forms of public incentives for the realisation of investments or supplies of national interest;
 - (ii) transactions to be carried out in the context of a public concession;
 - (iii) transactions carried out in execution of agreements between the Public Entities and (x) third party countries or (y) European Union institutions or Member States;
 - (iv) transactions carried out within the framework of a public-private partnership;
 - (v) transactions which form part of the plans or other programming instruments of the Public Entities;
 - (vi) transactions which are co-financed by the European Investment Bank;
- b) that the beneficiaries of the financing under the amended letter (a) of paragraph 7 of Article 5 may be public or private entities, to the exclusion of natural persons, and
- c) that CDP shall grant financing for the above mentioned transactions under the amended letter (a) of paragraph 7 of Article 5 on the basis of the creditworthiness of the relevant borrower and of the economic and financial sustainability of the relevant transaction.

CDP's by-laws, as amended in order to reflect the new legislative framework, provide the following: (i) the financing of transactions promoted by Public Entities using the Article 5, Paragraph 7, Letter (a) Funds may be conducted either directly by CDP or through the banking system, provided that the financial transactions conducted directly by CDP must

involve an amount equal to or greater than Euro 25,000,000.00 (twenty five million), (ii) such financing may be carried out in favour of public or private entities having legal personality (*soggettività giuridica*), to the exclusion of natural persons, and (iii) the relevant activities fall under the Separate Account System and the transparency and economic safeguards criteria that regulate its management and the economic and financial sustainability of each project shall be assessed.

As a general principle, funds provided by CDP should not exceed 50 per cent. of the senior debt of the borrower as indicated in the project's funding plan and any due diligence activity is subject to reasonable evidence to CDP that the complementary financing from the market is in the structuring phase.

As at 31 December 2013, CDP's total stock of loans came to Euro 1,023 million. As of the same date, loans, including disbursement commitments and guarantees, totalled Euro 4,569 million.

Financing in support of enterprises and other entities

Pursuant to the recent legislation mentioned above, the Article 5, Paragraph 7, Letter (a) Funds are also used by CDP in other supporting initiatives in favour of enterprises.

Transactions in favour of small and medium-sized enterprises

As mentioned above, pursuant to article 3, paragraph 4-*bis* of Law Decree 5, as integrated by the Budget Law 2010, among the transactions comprised in the amendment to letter (a) of paragraph 7 of Article 5 CDP may also carry out transactions in favour of small and medium-sized enterprises (“SMEs”) for the purpose of supporting the economy.

Pursuant to such legislation and CDP's by-laws, , transactions in favour of SMEs may be conducted through the banking system or through the subscription of participations in investment funds managed by asset management companies authorised to carry out collective portfolio management activities pursuant to article 33 of Legislative Decree No. 58 of 24 February 1998 whose corporate purpose fulfils one or more of the institutional objectives of CDP.

In the context of transactions conducted through the banking system, CDP assumes the risk of insolvency of the banks through which the funding is granted to the SMEs. An amount of up to Euro 8 billion (the “**Plafond PMI**”) has been allocated to funds to the banking system for the granting of loans in favour of SMEs, for investments and the increase of working capital. In July 2012, CDP completed the distribution of the entire amount of Euro 8 billion.

In 2012, given the continuing difficulties of access to borrowing for SMEs, CDP deemed it necessary to strengthen its commitment to support the economy, by making available a further amount up to Euro 10 billion (the “**New Plafond PMI**”), Euro 8 billion of which have the same purpose as the Plafond PMI, but, with respect to the first *plafond*, the exposure of

CDP towards the banks is guaranteed by the granting of security. CDP has also allocated Euro 2 billion of the New Plafond PMI in order to contribute towards solving the issues concerning the delays in payment by the public administration. Through the resources provided by CDP, the banking system will carry out transactions in favour of SMEs having one or more claims against the public administration, arising out of contracts for works, services and supplies, that have been certified as liquid and enforceable.

With regards to CDP's intervention in favour of SMEs through the subscription of holdings in investment funds, CDP holds an interest in the Italian Investment Fund for the Small and Medium Sized Enterprises (*Fondo Italiano di Investimento per le PMI*). The promotion and launch of such fund has been planned and sponsored by the MEF with the support of the Confederation of Italian Industry (Confindustria), the Italian Banking Association (ABI), CDP and the main Italian banking groups.

Pursuant to article 2 of Law Decree No. 69 of 21 June 2013, an amount of up to Euro 2.5 billion of the Article 5, Paragraph 7, Letter (a) Funds may be used for providing funds to the banking system for the granting of loans in favour of SMEs, to be allocated to investments in new machinery, plants and equipment (the “**Plafond Beni Strumentali**”). The Ministry of Economic Development will directly grant a subsidy to those SMEs that are granted such loans, in order to reduce borrowing costs. As well as in the New Plafond PMI, the exposure of CDP towards the banks is guaranteed by the granting of security.

The budget law for 2014 (Law No. 147 of 27 December 2013) extended the perimeter of operations for the purpose of supporting the economy, by amending the article 3, paragraph 4-bis of Law Decree No. 5 of 10 February 2009, by introducing the possibility of providing funds, through banking intermediaries, for the granting of loans also in favour of large enterprises. Pursuant to such provisions and CDP's by-laws, in January 2014 CDP launched the following initiatives that will be launched by a new agreement with the Italian Banking Association in the context of the New Plafond PMI: (i) a new fund, dedicated to “mid-cap” enterprises (i.e. those with up to 3,000 employees), for an amount of Euro 2 billion; (ii) a new fund dedicated to SMEs networks, for an amount of up to Euro 500 million, aimed at supporting SMEs' consolidation and scale growth; (iii) the redefinition of the SME beneficiaries of the New Plafond PMI (from the EU-wide definition to the European Investment Bank definition, that is enterprises up to 250 employees, regardless of the economic data). Furthermore, in consideration of the Italian government's initiatives aimed at reducing stock of credits against the public administration (e.g. D.L. 35/2013), CDP will transfer the resources of the New Plafond PMI dedicated to transactions in favour of SMEs that have claims against the public administration, to the quota of the fund dedicated to investments and increase of the working capital.

Transactions in order to support corporate “internationalisation” (internazionalizzazione)

As mentioned above, pursuant to article 8 of Law Decree 78 and CDP's by-laws, among the transactions of public interest that CDP can carry out by means of the Article 5, Paragraph 7,

Letter (a) Funds there are also transactions in order to support the corporate “internationalisation” of enterprises when such transactions include risk mitigation in the form of an insurance policy, guarantee, or other security issued by SACE.

Such financial transactions may be carried out in favour of public or private entities having legal personality (*soggettività giuridica*) to the exclusion of natural persons, and may be conducted either directly by CDP or through the banking system provided that, if conducted directly by CDP, such transactions must involve an amount equal to or greater than Euro 25,000,000.00 (twenty five million).

In April 2011 CDP's Board of Directors approved an initial fund allocation of Euro 2 billion, increased to Euro 6 billion on 26 June 2013, to be used in funding this kind of transactions and, on 3 July 2013, the Board of Directors authorised CDP to enter into the current framework agreement with ABI, SIMEST and SACE, providing for general terms and conditions pursuant to which transactions so funded can be carried out.

CDP's activity with SACE, SIMEST and ABI creates, under market conditions, an integrated system for the “internationalisation” of enterprises that must be authorised and regulated by means of decrees issued by the MEF.

On 22 January 2010, the MEF adopted a ministerial decree establishing that:

- a) CDP is authorised to provide, at market conditions, funding to Italian banks or to branches of foreign banks operating in Italy to be employed by the latter to financing transactions in support of the “internationalisation” of enterprises, provided that they benefit from an insurance policy, guarantee or other security issued by SACE;
- b) the funding agreement between CDP and the funded bank will provide, among other conditions, also the maximum level of the margin (inclusive of any commissions) that the borrowing bank may add to the cost of funding provided by CDP, in order to determine the final cost to be applied to the financing transaction in support of the final beneficiary, also on the basis of the relevant percentage guaranteed or insured by SACE;

CDP is also authorised, at market conditions, to carry out directly or through the intermediation of SACE financing transactions in support of the “internationalisation” of enterprises for amounts higher than Euro 25 million (provided that, when carried out directly by CDP, such transactions benefit from an insurance policy, guarantee or other security issued by SACE and, when carried out through the intermediation of SACE, the provisions described in paragraph b) above as to the maximum level of the margin are applied) where such transactions present characteristics relating to maturity or size which are incompatible with the intervention of the banking system or attain to economic sectors of strategic interest.

Other transactions in favour of enterprises and other entities under special law provisions

The Article 5, Paragraph 7, Letter (a) Funds are also used by CDP in other supporting initiatives in favour of enterprises and other entities established under special law provisions, such as the funds indicated below.

Pursuant to Article 1, paragraphs 354 to 361, of Law No. 311 of 30 December 2004 (the budget law for 2005) - which reformed certain public incentives in order to (i) transform such incentives from the State's sunk contribution to subsidised loans granted by CDP (in some cases in addition to a sunk contribution granted directly by the State), and (ii) to involve the banking system in the evaluations relating to the granting of public incentives, providing for its direct participation in the related risks through the necessary complementary granting of medium/long-term loans under market conditions - a revolving reserve fund (*Fondo rotativo per il sostegno alle imprese e gli investimenti in ricerca*) (the “**Revolving Fund for Enterprises**”) was implemented, within the Separate Account System, for the granting of fixed rate subsidised loans with CDP funding (the “**Subsidised Loans**”).

The Revolving Fund for Enterprises initial resources have been established by law for an amount equal to Euro 6,000 million and such funds are distributed among various incentive programs by CIPE (the Inter-Ministerial Committee for Economic Programming) that determines also, *inter alios*, the general criteria for the issuance of Subsidised Loans and the minimum interest rate applicable to the beneficiaries of the Subsidised Loans. The minimum annual interest rate applicable to the beneficiaries of the Subsidised Loans currently provided for is 0.50 per cent. and their maximum duration being 30 years.

The interest rate payable on amounts disbursed by CDP as Subsidised Loans is determined by virtue of a MEF decree as interest due to CDP. The difference between the rate thus established and the Subsidised Loans interest rate due by the relevant beneficiary is charged to the State, together with an overall amount equal to 0.40 per cent. of the amount granted annually as Subsidised Loans by way of reimbursement of the expenses incurred by CDP in managing the Fund.

As to the involvement of the banking system in the granting of public incentives, the above-mentioned reform provides that having access to a medium/long-term loan granted under market conditions by a banking institution (the “**Lender**”) is an eligibility requirement to obtain CDP Subsidised Loans. The evaluation of the duration, amount and conditions (including the security package, if necessary) of the bank loan and the CDP Subsidised Loan are entrusted to the Lender, which is therefore responsible for the evaluation of the creditworthiness of the beneficiary, provided that the bank loan and the Subsidised Loan shall be guaranteed by the same security package, if any.

The obligation of reimbursing the Subsidised Loan and related interests may be assisted, as a final and residual resource, by a State guarantee provided by decree of the MEF, issued in accordance with the criteria, conditions and patterns established in the decree.

Currently the highest quota (58.3 per cent.) of the Revolving Fund for Enterprises' resources is allocated to the research and pre-competitive development sectors. Pursuant to article 30 of Law Decree No. 83 of 22 June 2012, as converted into law, the competent public authorities will carry out a survey of the unused resources of the Revolving Fund for Enterprises, 70 per cent. of which shall be set aside for the purposes of a fund constituted by the Ministry of Economic Development (the "**Fund for Sustainable Growth**").

Furthermore, Law Decree No. 39 of 28 April 2009 as converted with modifications into law ("**Law Decree 39**") introduced some urgent provisions in favour of the population of the Region of Abruzzo which was affected by earthquakes in April 2009. Pursuant to article 3, paragraph 3 of Law Decree 39, the Article 5, Paragraph 7, Letter (a) Funds may be used, in an amount of up to Euro 2 billion, for the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans to the people residing in such affected areas for the reconstruction or repair of estates classifiable as main home which have been destroyed or declared inhabitable or for the purchase of new estates also to be used as main home in substitution of those destroyed by the earthquakes. The reimbursement of the loans by the final beneficiaries to the banks will be guaranteed by the Republic of Italy pursuant to terms and modalities to be established by decree of the MEF. In carrying out this kind of financing, CDP assumes the risk of insolvency of the banks through which the funding is granted to the final beneficiaries. In December 2012, CDP completed the distribution of the entire amount of Euro 2 billion.

In order to remedy the damage caused by the earthquake of May 2012 which affected some of the northern regions of Italy, the Italian Government adopted two provisions in favour of the population of the regions of Emilia-Romagna, Lombardy and Veneto, allowing for the creation of two additional CDP funds in the aggregate amount of Euro 12 billion. The first one ("Plafond Moratoria Sisma 2012", equal to Euro 6 billion), introduced by article 11 of Law Decree No. 174 of 10 October 2012, as converted into law, and article 1 of Law Decree No. 194 of 16 November 2012, as integrated by article 1, paragraphs 365-373, of Law No. 228 of 24 December 2012 and article 6 of Law Decree No. 43 of 26 April 2013, as converted into law, is dedicated to the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans (with a maximum duration of two years) to the enterprises and workers operating in such affected areas for the deferment of payment of taxes. The second one ("Plafond Ricostruzione Sisma 2012", for an additional amount of Euro 6 billion), introduced by article 3-bis of Law Decree No. 95 of 6 July 2012, may be used for the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans (with a maximum duration of 25 years) to the people residing and the enterprises operating in such affected areas for the reconstruction or repair of estates for residential and productive use, including plants and equipment. In both cases, the reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy pursuant to the terms and practicalities established by decrees of the MEF. In particular, the decrees established that these public guarantees are on first demand, irrevocable and unconditional.

Moreover, in order to remedy the damage caused by the flooding in the region of Sardinia in November 2013, the Italian Government adopted provisions in favour of the population of the region of Sardinia. Pursuant to article 7 of Law Decree No. 151 of 30 December 2013, CDP made available a maximum amount of Euro 90 million, analogous to the “Plafond Moratoria Sisma 2012”. Even in this case, the reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy in accordance with the terms and practicalities established by a decree of the MEF. In particular, the decree established that also this public guarantee is on first demand, irrevocable and unconditional.

Article 2, paragraph 1, letters a) and b) of Law Decree No. 102 of 31 August 2013, introduced the possibility for CDP to use the Article 5, Paragraph 7, Letter (a) Funds for the residential sector. In particular, the provisions allowed CDP to (a) provide funds to the banking system for the granting of mortgages in favour of individuals, dedicated to the purchase of residential property, with priority given to principal houses, and to restructuring costs destined to improve energy efficiency; and (b) purchase cover bonds and asset backed securities, with underlying residential mortgages. Such legislation allowed CDP to launch, respectively, two initiatives, for a total amount of Euro 5 billion, allocated as follows: (i) Euro 2 billion dedicated to the so-called “Plafond Casa”, and (ii) Euro 3 billion to the purchase of securities.

Finally, the Kyoto Fund, established by article 1, paragraphs 1110 to 1115 of Law No. 296 of 27 December 2006, is a fund consisting of an amount of up to Euro 600 million of public resources, for the granting of subsidised loans in order to reduce emissions responsible for the greenhouse effect and energy efficiency. The aforementioned legislation confers the management of the fund to CDP.

Through the Kyoto Fund, subsidised loans may be granted, at a rate of 0.50 per cent. per annum, with maturities ranging from three to six years (15 years for the public sector). The other beneficiaries can be enterprises, individuals, condominiums and private legal entities.

The first cycle of the Kyoto Fund has been active since March 2012.

The purposes of the Kyoto Fund have been redefined by article 57 of Law Decree No. 83 of 22 June 2012. The new purposes will be adopted in the future cycles of the fund. In particular, funds, reserved for enterprises (ESCos included) shall be used for granting subsidised loans for projects in green economy sectors and connected to the safety of the territory from hydrogeological and seismic risks. The second cycle of the Kyoto Fund was launched in January 2013.

Equity Investments and Investment Funds under the Separate Account System

The following table sets out the equity investments and the investment funds under the Separate Account System of CDP as at 31 December 2013 and the book value reported in the non consolidated financial statements at the same date:

SEPARATE ACCOUNT SYSTEM

(thousands of euro)

	31/12/2013			
	Percentage of shareholding (per cent.)	Principal activity	Commitment	Book Value
A. Equity Investments				
a. <u>Listed companies</u>				
1. Eni S.p.A.	25.76	Energy		15,281,632
2. Terna S.p.A.	29.85	Energy		1,315,200
b. <u>Unlisted companies</u>				
3. CDP RETI S.r.l	100.00	Energy		3,517,360
4. Sace S.p.A.	100.00	Infrastructure/ Industry		5,150,500
5. Fintecna S.p.A.	100.00	Infrastructure/ Industry		2,009,436
6. Fintecna Immobiliare S.p.A.	100.00	Real Estate		310,159
7. Simest S.p.A.	76.00	Infrastructure/Industry		232,500
8. Quadrante S.p.A.	100.00	Real Estate		61,625
9. Sinloc S.p.A.	11.29	Banking/ Financial/ SGR		5,986
10. Istituto per il Credito Sportivo (*)	21.62	Banking/ Financial/ SGR		2,066
11. Europrogetti & Finanza S.p.A. in liquidazione	31.80	Banking/ Financial/ SGR		-
B. Investments funds				
1. Fondo Strategico Italiano S.p.A.	77.70	Infrastructure/ Industry	3,419,512	3,419,512
2. Inframed Infrastructure società par actions simplifiée à capital variable (Fondo Inframed)	38.93	Infrastructure/ Industry	150,000	72,072
3. 2020 European Fund for Energy, Climate Change and Infrastructure SICAV-FIS Sa (Fondo Marguerite)	14.08	Infrastructure/ Industry	100,000	27,899
4. European Energy Efficiency Fund SA, SICAV-SIF(Fondo EEEF)		Energy		
-Quote A	12.86		51,913	5,664
-Quote B	2.09		7,987	919
5. Fondo Investimenti per l'Abitare	49.31	Real Estate	1,000,000	82,241
6. FIV Plus	100.00	Real Estate	100,000	16,494
7. FIV Extra	100.00	Real Estate	725,000	476,600
8. Fondo Italiano d'Investimenti	20.83	SMEs	250,000	67,747

* Istituto per il Credito Sportivo is a public economic entity (ente pubblico economico) and as such it has no share capital but an operational fund (fondo di dotazione) in which CDP participates for an amount of Euro 2,065,827.6, equal to 21.62 per cent. of the total fund.

During 2013, CDP's portfolio under the Separate Account System changed as a consequence of the following transactions:

- on 22 March 2013, CDP subscribed a capital increase of Euro 2,519.5 million in Fondo Strategico Italiano, in connection with the acquisition of an interest in the fund by the Bank of Italy, which took place through the transfer of an interest of 4.47 per cent. in Assicurazioni Generali S.p.A. Following the capital increase, the total resources invested by CDP in FSI amount to Euro 3,419.5 billion, while the share of CDP in FSI was diluted from 90 per cent. to 77.7 per cent. (80.0 per cent. including the shareholding of the

subsidiary Fintecna S.p.A.);

- as of 1 November 2013, the real estate holdings of the Fintecna Group were transferred to CDP in an asset spin-off. In particular, the real estate holdings include shareholdings in Fintecna Immobiliare s.r.l. (and its subsidiaries) and in Quadrante S.p.A. as well as land and buildings and related items, for a total value of approximately Euro 381 million, based on the book value as at 31 December 2012. As a result, the book value of the shareholding in Fintecna Immobiliare s.r.l. was decreased in an equal amount. At the same time, CDP renounced its claim in the shareholders' loan of Euro 102 million made to Fintecna Immobiliare s.r.l. , included in the spun-off assets, and Fintecna Immobiliare s.r.l. created a capital reserve for the same amount;
- the conversion of Fondo Investimenti per la Valorizzazione – Plus in an umbrella fund, named “Fondo Investimenti per la Valorizzazione” and the establishment of the Sub-Fund Plus and Sub-Fund Extra, both fully subscribed by CDP. As at 31 December 2013, Fondo Investimenti per la Valorizzazione – Plus is underwritten for Euro 100 million (of which Euro 20 million called up) and Fondo Investimenti per la Valorizzazione –Extra is underwritten for Euro 725 million euro (of which Euro 495 million called up);
- the drawdowns carried out by the following funds: EEEF, Fondo Italiano d’Investimento, Fondo Investimenti per l’Abitare, Inframed, Marguerite, Fondo Investimenti per la Valorizzazione, in relation to their own investment activities.

For a detailed description of the equity investments and the investments funds of CDP, please see section 3.1.4 of the report on operations and section 10 of CDP's audited non consolidated financial statements as of 31 December 2013, incorporated by reference in this Base Prospectus.

European Investment Bank Loans

In addition to the postal savings instruments and the issue of Notes under the Programme, the funding required by CDP for carrying out the activities falling under the separate account system, as further described below, is raised by CDP by entering into loans with the European Investment Bank.

During 2013, CDP requested and obtained new disbursements on credit facilities from the European Investment Bank for an aggregate amount of Euro 350 million under the Separate Account System.

Multi-Currency Commercial Paper Programme (Programma di Cambiali Finanziarie)

At the beginning of 2014, CDP set up a new Euro 3,000,000,000 multi-currency Commercial Paper Programme (*Programma di Cambiali Finanziarie*) governed by Italian Law pursuant to Law No. 43 of 13 January 1994 , as amended by Law 7 No. 134 of August 2012. The commercial papers issued by CDP may be listed on ExtraMOT PRO, a non-regulated market organised and managed by Borsa Italiana S.p.A.. The proceeds may be

used also to finance the Ordinary Account System.

CDP ACTIVITIES UNDER THE ORDINARY ACCOUNT SYSTEM

Lending activity

Pursuant to letter b) of paragraph 7 of Article 5, CDP also carries out the financing, in any form (including the purchase of receivables) of projects, plants, networks and assets for the purpose of supplying public services (energy, power, transportation, water, waste, etc.), through funds raised from investors only by means of the issuance of notes, borrowings and other financial transactions, without the guarantee of the Republic of Italy and to the exclusion of demand deposits (the “**Ordinary Account System**”).

Under the Ordinary Account System, CDP sets out the terms and conditions applicable to each financing without specific restrictions, acting like any other financial intermediary aiming to achieve an appropriate return and financing, on market terms, investments having public service purposes which satisfy its shareholders’ requirements in terms of, among other things, target remuneration of capital. In assuming credit commitments, CDP considers the credit standing of each potential borrower, its financial solidity, its business plan’s economic and financial soundness, cash flow generation capacity, corporate structure and ability to provide adequate guarantees.

CDP offers a wide range of lending and guarantee products, ranging from plain-vanilla corporate loans to project finance transactions.

Taking into consideration the different targets, purposes and regulations of the relevant lending activities, CDP does not, in principle, commit to financing projects using funds falling under the Ordinary Account System as well as Article 5, Paragraph 7, Letter (a) Funds at the same time.

During 2013, new loans were granted for Euro 1,112 million, while disbursements came to Euro 1,004 million (gross of repayments). As of 31 December 2013, the stock of loans granted within the Ordinary Account System was Euro 7,131 million, of which Euro 5,909 million were disbursed (net of repayments).

European Investment Bank Loans

In addition to the issue of Notes under the Programme, the funding required by CDP for carrying out the activities falling under the Ordinary Account System is raised by CDP by contracting loans with the European Investment Bank.

During 2013, CDP requested and obtained new disbursements on credit facilities from the European Investment Bank for an aggregate amount of Euro 46 million under the Ordinary Account System.

Equity Investments and Investment Funds under the Ordinary Account System

The following table sets out the equity investments and the investment funds under the Ordinary Account System of CDP as at 31 December 2013 and the book value reported in the non consolidated financial statements at the same date:

ORDINARY ACCOUNT SYSTEM		(thousands of euro)		
	31/12/2013			
	Percentage of shareholding (per cent.)	Principal activity	Commitment	Book Value
A. Equity Investments				
1. Galaxy S.à.r.l. SICAR	40.00	Infrastructure/ Industry		2,348
2. CDP GAS S.r.l.	100.00	Energy		467,366
3. F2i SGR S.p.A.	16.52	Banking/ Financial/ SGR		2,844
4. CDP Investimenti SGR S.p.A.	70.00	Banking/ Financial/ SGR		1,400
5. Fondo Italiano d'Investimento SGR S.p.A.	12.50	Banking/ Financial/ SGR		866
B. Investments funds				
1. Fondo PPP Italia	14.58	Infrastructure/ Industry	17,500	8,628
2. Fondo Immobiliare di Lombardia - Comparto Uno	6.11	Real Estate	20,000	8,056
3. F2i - Fondo Italiano per le Infrastrutture		Infrastructure/ Industry		
-Quote A	8.10		150,000	124,749
-Quote C	0.04		824	685
4. F2i - Secondo Fondo Italiano per le Infrastrutture	13.51	Infrastructure/ Industry	100,000	20,229

In 2013 the portfolio under the Ordinary Account System has changed mainly due to drawdowns by the following funds: F2i, F2i II and PPP Italia, in relation to their own investment activities.

For a detailed description of the equity investments and the investments funds of CDP, please see section 3.1.4 of the report on operations and section 10 - Equity Investment of CDP's audited non consolidated financial statements as at 31 December 2013, incorporated by reference into this Base Prospectus.

CDP GROUP'S 2013 – 2015 BUSINESS PLAN

The Board of Directors' meeting of 31 July 2013 approved the framework of the CDP Group's 2013-2015 Business Plan (the "**Plan**").

The Plan dictates the guidelines for the CDP Group. In addition to the parent company CDP and the subsidiaries SACE, Simest and Fintecna, the Plan covers CDP Investimenti SGR S.p.A. and Fondo Strategico Italiano S.p.A.

The Plan envisages resources of up to Euro 80 billion, about 5 per cent. of Italian GDP, for public entities, local governments, infrastructure and enterprises. An additional Euro 15 billion, bringing the total up to about Euro 95 billion, could be channelled to the economy through specific programmes to broaden the scope of the CDP Group's activities, in line with the approach adopted in other European countries. In this case, the contribution of the CDP

Group to Italy's growth would amount to 2 per cent. of GDP per year (6 per cent. over the course of the three-year period).

The CDP Group will continue to play its role as a long-term investor, using the private-sector resources it raises – first and foremost the funds from postal savings – to focus its action on the “healthy drivers” of economic development:

1. Public entities and Territory: up to Euro 23 billion will be made available to sustain public productive investments, of which about Euro 2 billion in equity capital;
2. Infrastructure: up to Euro 9 billion – of which about Euro 0.5 billion in equity capital – will be allocated to facilitate the design, start-up and financing of infrastructure projects;
3. Enterprises: up to Euro 48 billion – of which about Euro 3.5 billion in equity capital – will be deployed to support the growth and international expansion of enterprises and to leverage strategic assets for the country;
4. Southern Italy: the role of the CDP Group in supporting the Italian economy will also involve fostering the development of southern Italy, for which some Euro 20 billion in resources were mobilised by the CDP Group over the last three years;
5. Other initiatives: specific interventions conceived to expand CDP Group's scope of operations could receive up to Euro 15 billion in additional resources (for a total of Euro 95 billion), in a range of segments:
 - (i) Public entities and local government: up to Euro 4 billion for other initiatives as part of government programmes to finance the payment of government debts;
 - (ii) Infrastructure: up to about Euro 1 billion through the expansion of operations to comprise project finance transactions abroad and granting financing to enterprises operating in the public works sector;
 - (iii) Enterprises: up to about Euro 5 billion for new export finance and international expansion products, a fund for medium-sized enterprises, a “machinery, plant and equipment” fund, tools to favour access to credit for enterprises (mini-bonds issued by SMEs; securitisation of loans to companies);
 - (iv) Real estate: up to about Euro 5 billion in the financing for residential building through the banking system, partly with a view to fostering energy efficiency.

CDP SHARE CAPITAL AND SHARE OWNERSHIP

The Issuer's authorised and fully paid in share capital as at the date hereof is equal to Euro 3,500,000,000.00. Pursuant to CDP's by-laws, CDP extraordinary shareholders' meeting held on 27 March 2013, regarding the process of the conversion of preferred shares into ordinary

shares, approved the removal of the shares' nominal value. The company's share capital, which, following the conversion, still withstanding the amount of €3,500,000,000, is currently divided into no. 296,450,000 ordinary shares.

As at the date hereof, the MEF owns 80.103 per cent. of the share capital of CDP and the 18.396 per cent. is owned by 64 banking trusts (*fondazioni bancarie*). The remaining 1.501 per cent. was repurchased by CDP after two banking trusts exercised their withdrawal right related to the conversion of preferred shares.

Pursuant to paragraph 2 of Article 5 and CDP's by-laws, the majority of the shares with voting rights must be owned by the Republic of Italy. No shareholder of CDP, other than the MEF, may hold, directly or indirectly, more than 5 per cent. of its share capital. The voting rights in respect of shareholdings exceeding this limit may not be exercised and may not be counted for the purposes of determining the quorum for a valid shareholders' meeting. Pursuant to its by-laws, shares in CDP may only be held by banking trusts regulated by Legislative Decree No. 153 of 17 May 1999, banks and financial intermediaries which meet certain asset and management requirements.

The following were the shareholders of CDP as at the date hereof:

Shareholders	Share Capital (per cent.)
Ministero dell'Economia e delle Finanze	80.103
Compagnia di San Paolo	1.759
Fondazione CR Torino	1.733
Fondazione CR Province Lombarde	1.800
Ente CR Firenze	0.694
Fondazione CR Perugia	0.694
Fondazione CR Lucca	0.984
Fondazione Banco di Sardegna	1.929
Fondazione CR Cuneo	0.856
Fondazione CR Genova e Imperia	0.595
Fondazione CR Trento e Rovereto	0.919
Fondazione CR Padova e Rovigo	0.692
Fondazione di Venezia	0.482

Shareholders	Share Capital (per cent.)
Fondazione CR Alessandria	0.429
Fondazione Banca del Monte di Lombardia	0.482
Fondazione CR Forlì	0.482
Fondazione Agostino De Mari - CR Savona	0.318
Fondazione CR Trieste	0.295
Fondazione di Piacenza e Vigevano	0.289
Fondazione CR Ravenna	0.193
Fondazione CR Udine e Pordenone	0.157
Fondazione CR Provincia di Macerata	0.116
Fondazione CR Imola	0.096
Istituto Banco di Napoli Fondazione	0.096
Fondazione CR Carpi	0.096
Fondazione CR Biella	0.096
Fondazione CR Gorizia	0.096
Fondazione CR Modena	0.096
Fondazione CR Pistoia e Pescia	0.405
Fondazione CR Reggio Emilia - Pietro Manodori	0.096
Fondazione CR Provincia dell'Aquila	0.096
Fondazione CR Terni e Narni	0.096
Fondazione CR Asti	0.096
Fondazione CR della Provincia di Teramo	0.096
Fondazione CR Bolzano	0.103
Fondazione CR Livorno	0.103
Fondazione CR Pesaro	0.077

Shareholders	Share Capital (per cent.)
Fondazione CR Mirandola	0.039
Fondazione del Monte di Bologna e Ravenna	0.039
Fondazione CR Vercelli	0.039
Fondazione CR della Spezia	0.126
Fondazione CR Provincia di Viterbo - CA.RI.VIT.	0.039
Fondazione Banca del Monte di Lucca	0.039
Fondazione Sicilia	0.038
Fondazione CR Jesi	0.029
Fondazione Banca del Monte “Domenico Siniscalco Ceci” di Foggia	0.029
Fondazione CR Calabria e Lucania	0.029
Fondazione CR Fabriano e Cupramontana	0.019
Fondazione CR Orvieto	0.019
Fondazione CR Saluzzo	0.019
Fondazione CR Savigliano	0.019
Fondazione CR Spoleto	0.019
Fondazione CR Fossano	0.019
Fondazione CR Carrara	0.019
Fondazione CR Fano	0.019
Fondazione CR Fermo	0.019
Fondazione CR Ferrara	0.017
Fondazione Pescaraabruzzo	0.019
Fondazione CR e Banca del Monte di Lugo	0.019
Fondazione CR Rimini	0.019
Fondazione CR Cesena	0.019

Shareholders	Share Capital (per cent.)
Fondazione Banca del Monte e CR Faenza	0.010
Fondazione CR Bra	0.006
Fondazione Banca del Monte di Rovigo	0.002
Fondazione CR Salernitana	0.019
Own shares	1.501

CDP ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Board of Directors, Managing Director and General Manager

The Board of Directors is composed of nine members, elected for a period of no more than three financial years. They may be re-elected. CDP's by-laws were amended by the extraordinary shareholders' meeting of 6 November 2008 in order to introduce the role of the Managing Director.

As at the date hereof, the members of the Board of Directors are:

Franco Bassanini (“ Chairman ”)	Giovanni Gorno Tempini (“ Managing Director ”)
Maria Cannata	Olga Cuccurullo
Mario Nuzzo	Francesco Parlato
Antimo Prosperi	Alessandro Rivera
Marco Giovannini	Piero Fassino
Antonio Saitta	Massimo Garavaglia

Pursuant to paragraph 10 of Article 5 and CDP's by-laws, for matters relating to the Separate Account System (as described above), the Board of Directors is integrated by the General Accountant of the Republic of Italy (*Ragioniere Generale dello Stato*) and the General Manager of the MEF (*Direttore Generale del Ministero dell'Economia e delle Finanze*) (the “**Additional Directors**”).

As at the date hereof, the Board of Directors is integrated by the following Additional Directors:

- Roberto Ferranti (Additional Director on behalf of the General Accountant of the Republic of Italy)
- Vincenzo La Via (the General Manager of the MEF)
- Piero Fassino, Marco Garavaglia, Antonio Saitta.

In addition to the position held at CDP, the Directors listed below hold, as at the date hereof, the following offices outside CDP:

Franco Bassanini	Director of Fimpa S.p.A. – Milan Director of Risberme S.p.A. - Milan Director and Managing Director of Astrid Servizi s.r.l. - Rome Member of Supervisory Board of “2020 European Fund for Energy, Climate Change and Infrastructure SICAV-FIS Sa (“Marguerite Fund”)” - Luxembourg Vice Chairman of the Investor Board of the InfraMed Infrastructure Fund President of the Supervisory Board of Società Italiana Condotte per l’Acqua S.p.A Chairman of Metroweb Italia S.p.A Member of the Board of Metroweb SPA Vice Chairman of the European Long Term Investors Association
Giovanni Gorno Tempini	Chairman of Fondo Strategico Italiano S.p.A Administrator at CDP Reti S.r.l.
Maria Cannata	General Director of the Public Debt Department at the MEF Board Member of the “Scuola Archeologica Italiana di Atene” Board Member of the board of ANAS S.p.A.
Olga Cuccurullo	Board Member IPZS S.p.A. Board Member Fondazione Centro Sperimentale di Cinematografia Board Member InvImIt SGR S.p.A.
Francesco Parlato	Member of the Board of Directors of Finmeccanica S.p.A. since 12 September 2007
Antimo Prosperì	Director General of Directorate VI, Financial Transactions – EU litigation, of the Treasury Department, Ministry of Economy and Finance Member of the Board of Directors of <i>Ferrovie dello Stato Italiane S.p.A.</i> , appointed by the

Ministry of Economy and Finance

Member of the Board of Directors of *Istituto Poligrafico e Zecca dello Stato (IPZS) S.p.A.*, appointed by the Ministry of Economy and Finance

Member of the Board of Directors of *Concessionaria Servizi Informativi Pubblici (CONSIP) S.p.A.*, appointed by the Ministry of Economy and Finance

Member of the Board of Directors of *Investimenti Immobiliari Italiani Società di Gestione del Risparmio (InvImIt SGR) S.p.A.*, appointed by the Ministry of Economy and Finance

Mario Nuzzo

Chairman of Foundation of Cassa di Risparmio della Provincia di Teramo

Member of the Board of Directors of ACRI - Associazione Casse di Risparmio Italiane

Member of the Board of Directors of SINLOC S.p.A

Alessandro Rivera

Member of the board of directors of Poste Italiane S.p.A. (also Chairman of the Compensation Committee)

Member of the board of directors of STMicroelectronics (also member of the Nominating and Corporate Governance Committee and of the Compensation Committee)

Marco Giovannini

President – CONFINDUSTRIA Alessandria

Member of the BoD of SIG – Solar Investment Group S.r.l.

Member of the BoD of Goglio S.p.A

Member of the BoD of Mperience S.r.l.

Member of the BoD of SWAN S.r.l

Member of the Board of Consorzio Proplast

within the Guala Closure Group

President – Guala Closures SpA

Member of the BoD – Guala Closures International BV

Chairman of the BoD – Guala Closures Ukraine LLC

President – Guala Closures Mexico

President - Guala Closures Brasil Ltda

President – Guala Closures Argentina S.A.

Member of the BoD - Guala Closures India Pvt Ltd

Member of the BoD - Guala Closures UK Ltd.

Member of the BoD - Guala Closures New Zealand Ltd

Chairman of the BoD – Guala Closures North America Ltd

Member of the BoD – Guala Closures China BV

Member of the BoD – Guala Closures Australia Holdings Pty Ltd

President – Guala Closures Bulgaria AD

President – Guala Closures Tools AD

President – Pharma Trade S.r.l

Member of the BoD – Beijing Guala Closures Ltd

Roberto Ferranti

Chairman of the Board of Statutory accounts

Chairman of Registro Italiano Navale

Chairman of Agenzia Nazionale per la Sicurezza del Volo

Chairman of Agenzia delle Entrate

	Member of the Supervisory Board of Federazione Italiana Nuoto
Vincenzo La Via	Director General of MEF
Piero Fassino	Mayor of Turin
	Chairman ANCI Piedmont
	Chairman ANCI
	Chairman Teatro Regio
	Advisor Board of Directors Foundation Venaria Reale
	Advisor Board of Directors Foundation ISI
	Honorary chairman "Torino Città Capitale Europea"
	Co-chairman Associazione Torino Internazionale
	Chairman of “Fondazione per la Cultura”
Antonio Saitta	Chairman of Provincia di Torino
Massimo Garavaglia	Chairman of the Supervisory Board of Lombardia Informatica S.p.A.

No conflict of interest exists between duties owed to the Issuer by the members of the Board of Directors, as listed above, and their private interests.

The business address of the members of the Board of Directors is at CDP's registered office at Via Goito 4, 00185 Rome, Italy.

The Chairman of the Board of Directors is the legal representative of CDP and is empowered to sign on its behalf, to chair shareholders' meetings and to convene and chair the Board of Directors. The Managing Director is the legal representative of CDP in respect of the powers vested in him by the Board of Directors.

Directors are elected by a voting list system under which any group of shareholders representing at least 10 per cent. of the voting shares may submit a list of directors for nomination. The Managing Director is selected from the majority list, while the Chairman of the Board of Directors is selected from the list with the second-largest number of votes. The Board of Directors elects a Chairman, a Vice Chairman, a Secretary and a Vice Secretary.

The quorum for a valid meeting of the Board of Directors is the majority of the board

members then in office. Resolutions are adopted by the simple majority of the directors present. To pass a valid resolution involving the management of Separate Account System, at least two Additional Directors are required to be present at the board meeting and to vote for its adoption. In the event of a voting tie, the Chairman has a casting vote.

In addition to the matters reserved to the Board of Directors by law, the following matters are, among others, reserved to the exclusive power of the Board of Directors: (a) CDP's strategy, (b) CDP's general organisational structure, (c) the appointment and removal of the Managing Director and Vice-Managing Director; (d) the operational terms and conditions for implementation of the Bank of Italy's guidelines; (e) the purchase and sale of share participations; (f) the granting of loans in amounts exceeding Euro 500,000,000.00; (g) the borrowing of amounts exceeding Euro 500,000,000.00; and (h) the establishment of segregated asset pools.

On 16 June 2010, upon proposal by the Managing Director in accordance with CDP's by-laws, the Board of Directors appointed Mr. Matteo Del Fante as General Manager of CDP.

In addition to the position held at CDP, the General Manager carries out, as at the date hereof, the activities outside CDP specified below:

Matteo Del Fante

Chairman of the Board of Directors of CDP
Investimenti S.G.R. S.p.A.

Member of the Board of Directors and of the
Internal Auditing Committee of Terna S.p.A.

On 30 April 2014, CDP announced that, in view of Terna S.p.A.'s shareholders' meeting convened for 27 May 2014, it has recommended the appointment of Matteo Del Fante as member of the Board of Directors.

No conflict of interest exists between the duties owed to the Issuer by the General Manager and his private interests.

The business address of the General Manager is at CDP's registered office at Via Goito 4, 00185 Rome, Italy.

Board of Statutory Auditors

The board of statutory auditors of CDP (the “**Board of Statutory Auditors**”) is comprised of five auditors and two alternate auditors. The auditors are appointed in compliance with Italian law and regulations by the shareholders' meeting for a term of three years and may be re-elected.

As at the date hereof, the members of the Board of Statutory Auditors were:

Angelo Provasoli (Chairman)

Giuseppe Suppa (Statutory Auditor)

Andrea Landi (Statutory Auditor)

Luciano Barsotti (Statutory Auditor)

Ines Russo (Statutory Auditor)

Angela Salvini (Alternate Auditor)

The CDP shareholders' meeting convened for 28 May 2014 will appoint the second alternate auditor.

In addition to the position held at CDP, the Auditors listed below hold the following activities outside CDP as at the date hereof:

Angelo Provasoli

Chairman of the Board of Auditors of Fondo Strategico Italiano S.p.A.

Chairman of the Board of Directors of RCS Mediagroup

Member of the Board of Bracco S.p.A.

Giuseppe Suppa

Chairman of the Board of the Financial Auditors of Agenzia Spaziale Italiana

Chairman of the Board of Statutory Auditors of Autostrada Torino-Ivrea-Valle d'Aosta S.p.A. (ATIVA S.p.A.)

Chairman of the Board of Auditors of Fondazione Conferenza dei Rettori delle Università italiane

Member of the Board of the Financial Auditors of Agenzia per l'Italia Digitale

Chairman of the Board of Statutory Auditors of Autostrada del Brennero S.p.A.

Andrea Landi

President of Fondazione Cassa di Risparmio di Modena (since 2005)

Full Professor of "Management of Financial Intermediaries", Faculty of Economics "Marco Biagi", University of Modena and Reggio Emilia (since 2000)

Professor of "Management of Financial Intermediaries", "Corporate and Investment Banking", "International Finance", Faculty of Economics "Marco Biagi", University of Modena and Reggio Emilia

President of the Research Commission of the Association of Italian Savings banks and Banking Foundations (ACRI)

Vice President of the Democenter Foundation
(Centre for technological transfer)

Member of the following associations and
research centres:

- European Association of University
Teachers in Banking and Finance
- CEFIN (Centre for Research in
Banking and Finance) Faculty of
Economics "Marco Biagi", University
of Modena and Reggio Emilia.
- ADEIMF Italian Association of
Scholars of Economics and
Management of Financial Institutions
and Markets
- Member of the Scientific Committee
of Prometeia.

Ines Russo

Statutory Auditor of ISTAT

Chairman of the Board of Statutory Auditors
of ITALFERR S.p.A (Gruppo Ferrovie dello
Stato)

Chairman of the Board of Statutory Auditors
of SIMEST S.p.A.

Luciano Barsotti

Chairman of Fondazione Livorno

Board Member of Amministrazione
Argentario S.p.A.

Angela Salvini

Board of Auditors – Federazione Italiana
Canottaggio

Chairman of the Board of Statutory Auditors
Aeroporto Valerio Catullo S.p.A.

Standing Auditor RaiNet S.p.A.

Standing Auditor Istituto Superiore di Sanità

Statutory Auditors are elected by the same voting list system as the one applicable to the
election of Directors.

The business addresses of the member of the Board of Statutory Auditors are specified
below:

Angelo Provasoli

Via Alberto da Giussano 17, 20145 Milan,
Italy

Andrea Landi	Strada Albareto 212, 41122 Modena, Italy
Ines Russo	Via Pietro Marchisio 239, 00173 Rome, Italy
Giuseppe Suppa	Via Cesare Massini 61, 00155 Rome, Italy
Luciano Barsotti	Via Frascchetti 44/B, 57128 Livorno, Italy
Angela Salvini	Via Costantino Mortati 122, 00156 Rome, Italy

Court of Accounts' supervision

Pursuant to paragraph 17 of Article 5, CDP is supervised by the Italian Court of Accounts (*Corte dei Conti*) in accordance with Article 12 of Law No. 259 of 21 March 1958. The supervision is exercised by one of the Court of Accounts' members, appointed by the Court's President, who is entitled to attend the meetings of the administrative and statutory auditing bodies of CDP. The member of the Court of Accounts' who is currently in charge for CDP's supervision is Dott. Mauro Orefice.

Independent Auditors

Upon proposal of the Board of Directors and having consulted with the Board of Statutory Auditors, the shareholders' meeting of 25 May 2011 appointed the independent auditors for a term of nine years.

CDP's independent auditors are PricewaterhouseCoopers S.p.A., with registered offices at Via Monte Rosa 91, Milan, Italy, whose term of office will expire upon approval of the financial statements for the year 2019.

PricewaterhouseCoopers S.p.A. is a company enrolled with the Register of Certified Auditors (*Registro dei Revisori Legali*) held by the MEF.

Committee of Minority Shareholders

The Committee of Minority Shareholders is composed of nine members appointed by the minority shareholders. The committee is appointed by the same quorum required for the ordinary shareholders' meeting. It expires on the same day of the shareholders' meeting called for the appointment of the Board of Directors. The Committee of Minority Shareholders appoints a chairman who has the power to convene the meetings, to set the agenda and to chair the meetings. The chairman receives in advance from CDP analytical reports on the (i) level of financial liquidity, (ii) lending commitments, (iii) shareholdings and participations, (iv) current and prospective investments, (v) most relevant business transactions entered into by CDP, (vi) updated accounting information, (vii) reports provided by independent and internal auditors and (viii) minutes of the Board of Statutory Auditors.

The chairman may request additional information from the Chairman of the Board of Directors, the Managing Director or the Chairman of the Board of Statutory Auditors. The minutes of the Committee of Minority Shareholders are notified to the Board of Directors and the Board of Statutory Auditors. The members of the committee are subject to a duty of confidentiality with respect to the information on business activities provided by CDP.

As at the date hereof, the members of the Committee of Minority Shareholders were as follows:

Matteo Melley	Antonello Arru
Marcello Bertocchini	Piero Gastaldo
Renato Gordini	Mariano Marroni
Ivano Paci	Pierfranco Giovanni Risoli
Roberto Saro	

Supervisory Board

As at the date hereof the members of the supervisory board (the “**Supervisory Board**”) established for supervising the Separate Account System of CDP, pursuant to Law Decree 269 and Royal Decree No. 453 of 2 January 1913, were as follows:

Tommaso Foti (Chairman)	Paolo Naccarato
Ferdinando Aiello	Luigi Marino
Dore Misuraca	Stefano Fantini
Davide Zoggia	Guido Salemi
Bruno Astorre	Pancrazio Savasta
Cinzia Bonfrisco	Claudio Gorelli

Supervisory Board pursuant to Legislative Decree No. 231 of 8 June 2001 (“Decree 231”)

CDP has established a supervisory board in compliance with Decree 231 for the purpose of monitoring the risks of potential criminal and administrative liabilities. Decree 231 established the criminal and administrative liability of a corporation in the event that an employee violates criminal provisions in the interest and for the benefit of the corporation. For the purpose of avoiding and reducing the risk of such liability, Decree 231 requires corporations to adopt an organisational model in order to monitor business activities and internal procedures for the sake of preventing any kind of violation. The activity of such supervisory board is supported by the internal audit division of CDP (See “*Internal Controls*” below).

As at the date hereof, the members of the supervisory board appointed pursuant to Decree 231 were:

- Giuseppe Cannizzaro (chairman);
- Vincenzo Tommaso Milanese;

- Vincenzo Malitesta.

The business address of the members of the supervisory board in compliance with Decree 231 is at CDP's registered office at Via Goito 4, 00185 Rome, Italy.

Internal controls, risk management and compliance

CDP has developed an internal control system consisting of a set of rules, procedures, and organisational structures designed to ensure compliance with the applicable regulations, in accordance with its corporate strategies and the achievement of targets set by company management.

More specifically, first level controls (line controls) are conducted by operational and administrative units. These controls are built into organisational procedures and are designed to ensure that transactions are carried out correctly.

Second level controls (risk management controls) are carried out by separate organisational units and are designed to help establish risk measurement methodologies and verify that the limits set for operational departments are respected, as well as verifying that operational activities and results achieved by production units comply with their allocated risk objectives and performance targets.

Other second level controls (the risk of regulatory non-compliance) are carried out by the compliance function which is responsible for ensuring that internal procedures and processes are consistent with the objective of preventing violations of statutory measures (laws and regulations) or self-regulatory arrangements (codes of conduct, codes of ethics).

The primary duties of the compliance function are:

- to identify on an ongoing basis all regulations applicable to CDP and to measure/assess their impact on the processes and procedures;
- to formulate proposals for organizational and procedural changes to ensure that identified compliance risks are managed appropriately;
- to transmit information to the corporate bodies and structures involved;
- to verify the effectiveness of the organizational measures suggested to manage compliance risk.

Furthermore, following Decree No. 231 of 22 June 2007 and the measures issued by the Bank of Italy, CDP appointed the risk management department as the company's legal representative concerning anti-money laundering compliance. As a result, the risk management department is introducing additional controls in order to identify any suspicious transactions and promptly inform the supervisory authority.

Finally, third level controls are performed by the internal audit unit, a permanent, autonomous function that does not report to the heads of the units subject to control. These controls are conducted to verify the functionality of the overall internal control system and

the regularity of CDP's operational activities and processes, with the objective of preventing or identifying risks and irregularities.

Specifically, the internal auditing unit assesses the ability of the overall internal control system to ensure that corporate processes are efficient and effective, safeguard company and investor assets, guarantee the reliability and integrity of accounting and management information, and compliance with internal and external regulations and management guidelines.

Every year the internal auditing unit prepares an action plan that it presents to the Board of Directors. It sets out the audits scheduled to analyse risks based on the importance of each process within the overall framework of the activities involved in achieving the business objectives.

The internal audit unit reports on its results to the Board of Directors and the Board of Auditors on a quarterly basis. However, critical issues identified during examinations are immediately reported to the relevant company units so that they can implement corrective actions.

Furthermore, the internal audit unit advises other CDP units on improving internal audit activities and assists the manager responsible for preparing the company financial reports (according to Law No. 262 of 28 December 2005) and the supervisory board established pursuant to Decree 231 in carrying out their work.

EMPLOYEES

As at the date hereof, CDP had 569 employees.

ORGANISATIONAL STRUCTURE

CDP's organisational structure is currently structured as follows:

The following position and areas report to the Managing Director: Chief Financial Officer; Human Resources & Organisation; Operations; Risk Management & Anti Money Laundering.

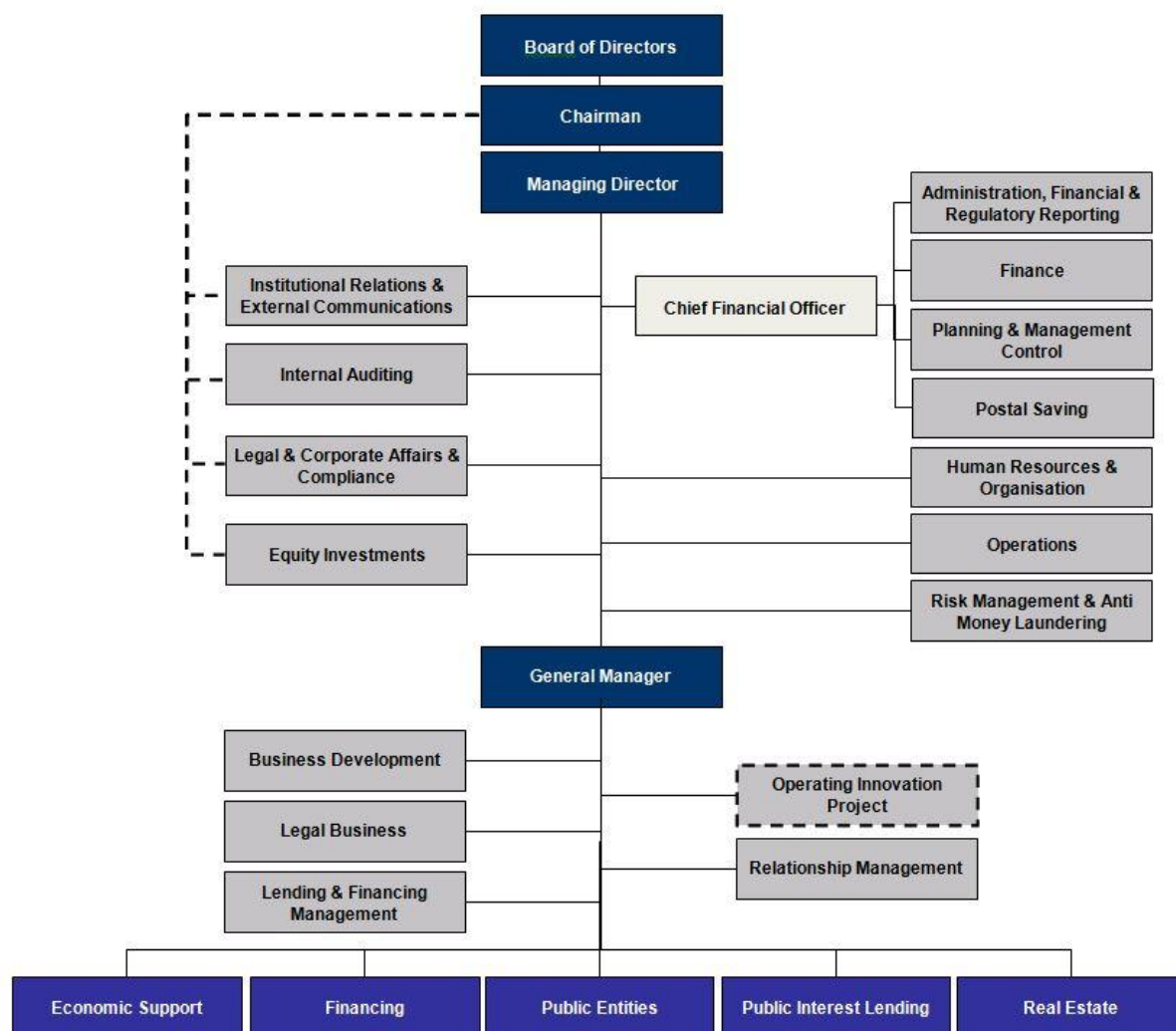
The Chief Financial Officer reports to the Managing Director and is in charge of managing the following areas: Administration, Financial & Regulatory Reporting; Finance; Planning & Management Control; Postal Saving.

The following areas also report to the Managing Director, as well as functionally to the Chairman of the Board of Directors: Institutional Relations & External Communications; Internal Auditing; Legal & Corporate Affairs & Compliance; Equity Investments.

Finally, the General Manager reports to the Managing Director and is in charge of managing the following business areas: Economic Support; Financing; Public Entities; Public Interest Lending; Real Estate. The following business support areas also report to the General Manager: Business

Development; Legal Business; Lending & Financing Management; Operating Innovation Project; Relationship Management.

Accordingly, the company's organisation chart as at the date hereof is as follows:



CORPORATE GOVERNANCE

CDP complies with Italian laws and regulations regarding corporate governance.

MATERIAL CONTRACTS

The Issuer has not entered into any material contracts since the date of its transformation into a joint stock company outside of its ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to the Noteholders.

RECENT EVENTS

Litigation with Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona

During the course of 2013, Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona brought a claim against CDP before the Court of Rome in relation to the process of conversion of CDP preferred shares into ordinary shares and the subsequent withdrawal by such banking trust from CDP's share capital. The foundation has requested that CDP pay an amount equal to Euro 431,890,854.00.

SELECTED FINANCIAL INFORMATION RELATING TO CDP

The following tables set out in summary form balance sheet and income statement information relating to CDP. Such information is derived from the non consolidated audited financial statements of CDP as at 31 December 2012 and 31 December 2013. Such financial statements and the accompanying notes, together with the reports of the auditors, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

(euros)

BALANCE SHEET

	Assets	31/12/2013	31/12/2012
10.	Cash and cash equivalents	3,530	4,061
20.	Financial assets held for trading	472,679,479	640,480,778
40.	Financial assets available for sale	4,939,291,611	4,975,191,408
50.	Financial assets held to maturity	18,327,082,721	16,730,803,183
60.	Loans to banks	14,851,354,609	13,178,302,664
	<i>of which securing covered bonds</i>	-	575,161,865
70.	Loans to customers	242,136,225,003	238,305,758,261
	<i>of which securing covered bonds</i>	-	2,102,395,438
80.	Hedging derivatives	325,064,442	371,592,827
100.	Equity investments	31,769,037,804	30,267,806,038
110.	Property, plant and equipment	217,930,399	206,844,583
120.	Intangible assets	6,252,398	7,142,943
130.	Tax assets	1,233,688,891	508,263,385
	a) current	1,065,965,451	359,110,010
	b) deferred	167,723,440	149,153,375
150.	Other assets	406,692,190	239,289,471
	Total assets	314,685,303,077	305,431,479,602

(euros)

BALANCE SHEET

	Liabilities and equity	31/12/2013	31/12/2012
10.	Due to banks	24,008,645,722	34,055,028,612
20.	Due to customers	261,520,355,925	242,303,149,301
30.	Securities issued	6,907,470,302	6,672,411,389
	<i>of which covered bonds</i>	-	2,639,474,757
40.	Financial liabilities held for trading	444,815,354	477,087,678
60.	Hedging derivatives	1,449,143,501	2,575,862,638
70.	Adjustment of financial liabilities hedged generically (+/-)	52,258,202	56,412,601
80.	Tax liabilities	669,026,281	915,731,204
	a) current	565,597,478	818,196,453
	b) deferred	103,428,803	97,534,751
100.	Other liabilities	1,479,946,192	1,527,970,453
110.	Staff severance pay	756,139	750,996
120.	Provisions	14,928,023	11,789,925
	b) other provisions	14,928,023	11,789,925
130.	Valuation reserves	975,182,823	965,418,317
160.	Reserves	11,371,230,455	9,517,249,132
180.	Share capital	3,500,000,000	3,500,000,000
190.	Treasury shares (-)	(57,220,116)	-
200.	Net income for the year (+/-)	2,348,764,274	2,852,617,356
	Total liabilities and equity	314,685,303,077	305,431,479,602

(euros)

INCOME STATEMENT

		31/12/2013	31/12/2012
10.	Interest income and similar revenues	8,734,350,209	10,590,682,908
20.	Interest expense and similar charges	(6,194,954,542)	(7,068,867,902)
30.	Net interest income	2,539,395,667	3,521,815,006
40.	Commission income	40,300,483	38,348,222
50.	Commission expense	(1,623,148,314)	(1,650,123,072)
60.	Net commission income	(1,582,847,831)	(1,611,774,850)
70.	Dividends and similar revenues	3,088,977,849	1,206,749,144
80.	Net gain (loss) on trading activities	76,056,378	156,407,006
90.	Net gain (loss) on hedging activities	(14,833,356)	(10,120,204)
100.	Gains (losses) on disposal or repurchase of:	15,736,734	389,563,961
	a) loans	9,219,840	19,469,378
	b) financial assets available for sale	6,477,522	366,189,473
	c) financial assets held to maturity	39,372	145,310
	d) financial liabilities	-	3,759,800
120.	Gross income	4,122,485,441	3,652,640,063
130.	Net impairment adjustments of:	(45,290,748)	(22,884,956)
	a) loans	(42,802,267)	(22,097,331)
	d) other financial transactions	(2,488,481)	(787,625)
140.	Financial income (expense), net	4,077,194,693	3,629,755,107
150.	Administrative expenses:	(119,717,268)	(103,285,487)
	a) staff costs	(62,335,374)	(54,205,757)
	b) other administrative expenses	(57,381,894)	(49,079,730)
160.	Net provisions	(395,528)	(2,058,191)
170.	Net adjustments of property, plant and equipment	(5,147,912)	(5,225,787)
180.	Net adjustments of intangible assets	(2,345,796)	(2,464,066)
190.	Other operating income (costs)	4,758,168	3,504,759
200.	Operating costs	(122,848,336)	(109,528,772)
210.	Gains (losses) on equity investments	(1,008,947,000)	147,334,875
240.	Gains (losses) on the disposal of investments	91	(107,901)
250.	Income (loss) before tax from continuing operations	2,945,399,448	3,667,453,309
260.	Income tax for the period on continuing operations	(596,635,174)	(814,835,953)
270.	Income (loss) after tax on continuing operations	2,348,764,274	2,852,617,356
290.	Income (loss) for the year	2,348,764,274	2,852,617,356

SELECTED FINANCIAL INFORMATION RELATING TO CDP GROUP

The following tables set out in summary form balance sheet and income statement information relating to CDP Group. Such information is derived from the consolidated audited financial statements of CDP Group as at 31 December 2012 and 31 December 2013. Such financial statements and the accompanying notes, together with the reports of the auditors and the certification of the manager responsible for preparing the corporate financial reports, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

(thousands of euros)

CONSOLIDATED BALANCE SHEET

	Assets	31/12/2013	31/12/2012
10.	Cash and cash equivalents	737	350
20.	Financial assets held for trading	2,574,242	3,765,660
40.	Financial assets available for sale	6,532,702	6,256,966
50.	Financial assets held to maturity	19,914,739	18,253,762
60.	Loans to banks	18,672,942	18,502,789
	<i>of which securing covered bonds</i>	-	575,162
70.	Loans to customers	245,792,451	241,539,610
	<i>of which securing covered bonds</i>	-	2,102,395
80.	Hedging derivatives	961,826	1,190,984
100.	Equity investments	20,474,446	20,757,812
110.	Reinsurers' share of technical provisions	82,185	106,305
120.	Property, plant and equipment	13,524,650	12,247,534
130.	Intangible assets	2,789,776	892,833
	of which:		
	- goodwill	1,793,787	485,897
140.	Tax assets	2,194,896	1,194,535
	a) current	1,446,498	544,201
	b) deferred	748,398	650,334
160.	Other assets	6,951,847	4,202,901
Total assets		340,467,439	328,912,041

(thousands of euros)

CONSOLIDATED BALANCE SHEET

	Liabilities and equity	31/12/2013	31/12/2012
10.	Due to banks	27,875,218	36,450,013
20.	Due to customers	258,782,572	241,710,409
30.	Securities issued	13,567,579	13,218,183
	<i>of which securing covered bonds</i>	-	2,639,475
40.	Financial liabilities held for trading	516,352	522,596
60.	Hedging derivatives	1,570,173	2,699,921
70.	Adjustment of financial liabilities hedged generically (+/-)	52,258	56,413
80.	Tax liabilities	2,551,975	2,581,139
	a) current	940,307	1,122,178
	b) deferred	1,611,668	1,458,961
100.	Other liabilities	7,131,964	5,702,249
110.	Staff severance pay	173,210	156,724
120.	Provisions	2,283,731	2,189,204
	a) post-employment benefits	4,677	1,992
	b) other provisions	2,279,054	2,187,212
130.	Technical provisions	2,461,639	2,569,657
140.	Valuation reserves	(17,717)	311,030
170.	Reserves	13,362,943	11,441,873
180.	Share premium reserve	5,988	5,988
190.	Share capital	3,500,000	3,500,000
200.	Treasury shares (-)	(57,220)	-
210.	Non-controlling interests (+/-)	4,205,478	2,869,778
220.	Net income (loss) for the year	2,501,296	2,926,864
Total liabilities and equity		340,467,439	328,912,041

(thousands of euros)

CONSOLIDATED INCOME STATEMENT

	Items	31/12/2013	31/12/2012
10.	Interest income and similar revenues	9,168,751	10,661,134
20.	Interest expense and similar charges	(6,328,077)	(7,212,610)
30.	Net interest income	2,840,674	3,448,524
40.	Commission income	103,045	48,411
50.	Commission expense	(1,650,912)	(1,651,321)
60.	Net commission income	(1,547,867)	(1,602,910)
70.	Dividends and similar revenues	20,249	401
80.	Net gain (loss) on trading activities	263,533	143,951
90.	Net gain (loss) on hedging activities	(14,283)	(7,969)
100.	Gains (losses) on disposal or repurchase of:	68,316	51,903
	a) loans	9,220	19,469
	b) financial assets available for sale	59,057	6,125
	c) financial assets held to maturity	39	145
	d) financial liabilities	-	26,164
120.	Gross income	1,630,622	2,033,900
130.	Net impairment adjustments of:	(56,472)	(22,885)
	a) loans	(53,744)	(22,097)
	b) financial assets available for sale	(240)	-
	c) financial assets held to maturity	-	-
	d) other financial transactions	(2,488)	(788)
140.	Financial income (expense), net	1,574,150	2,011,015
150.	Net Premiums	465,275	-
160.	Other net profit (loss) on insurance operations	(216,217)	-
170.	Net income from financial and insurance operations	1,823,208	2,011,015
180.	Administrative expenses	(4,254,733)	(523,673)
	a) staff costs	(1,177,777)	(265,795)
	b) other administrative expenses	(3,076,956)	(257,878)
190.	Net provisions	31,711	(12,530)
200.	Net adjustments of property, plant and equipment	(504,914)	(416,626)
210.	Net adjustments of intangible assets	(93,142)	(56,879)
220.	Other operating income (costs)	5,691,545	1,798,794
230.	Operating costs	870,467	789,086
240.	Gains (losses) on equity investments	1,436,550	1,615,529
270.	Gains (losses) on disposal of investments	(2,956)	5,745
280.	Income (loss) before tax from continuing operations	4,127,269	4,421,375
290.	Income tax for the period on continuing operations	(1,228,267)	(1,186,592)
300.	Income (loss) after tax on continuing operations	2,899,002	3,234,783
310.	Income (loss) after tax on disposal groups held for sale	-	(23)
320.	Net income (loss) for the year	2,899,002	3,234,760
330.	Net income (loss) for the year pertaining to non-controlling interests	397,706	307,896
340.	Net income (loss) for the year pertaining to shareholders of the parent company	2,501,296	2,926,864

TAXATION

Italian taxation

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. The following summary does not discuss in details the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws in force in Italy in effect as at the date of this Base Prospectus, which may be subject to any changes in law occurring after such date potentially with retroactive effect. Prospective purchasers of Notes should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. This paragraph does not intend and cannot be construed as a tax advice to prospective purchaser of the Notes.

*Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 ("**Decree No. 66**"), introduced new tax provisions amending certain aspects of the tax treatment of the Notes, as summarised below. In particular the Law Decree increased the rate of withholding and substitute taxes of income from financial sources, other than government bonds, from 20 per cent. to 26 per cent. The new rules, if timely converted into law by the Parliament, should be effective as of 1 July 2014, on the basis of future law provisions and clarifications.*

Italian Tax treatment of the Notes

The Decree No. 239 regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and securities similar to bonds (pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**") issued, *inter alia*, by CDP pursuant to the provisions of Article 5, paragraph 25, of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003.

For these purposes, securities similar to bonds ("*titoli simili alle obbligazioni*") are securities that incorporate an unconditional obligation of the issuer to pay at maturity an

amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Italian Resident Noteholders

Pursuant to Decree No. 239, payments of Interest relating to Notes is subject to the *imposta sostitutiva*, levied at the rate of 20 per cent. (which will be increased to 26 per cent. with reference to any Interest accrued as of 1 July 2014, pursuant to Decree No. 66) if the Noteholder is:

- (i) an individual resident in the Republic of Italy for tax purposes, holding the Notes otherwise than in connection with entrepreneurial activities, unless he has entrusted the management of their financial assets, including the Notes, to an Authorised Intermediary and has opted for asset management option (the "**Risparmio Gestito**" regime) according to Article 7 of Legislative Decree No. 461 of 21 November 1997 as amended ("**Decree No. 461**"); or
- (ii) Italian resident partnership (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), or a de facto partnership not carrying out commercial activities and professional associations; or
- (iii) Italian resident public and private institution, other than companies, not carrying out commercial activities; or
- (iv) Italian resident entities exempt from Italian corporate income tax.

All the above categories are usually referred as "net recipients".

In the event that the Italian resident Noteholders mentioned above hold the Notes in connection with an entrepreneurial activity (*attività d'impresa*), the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree No. 239, the *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**") and other entities identified by the Ministry of Finance (each, an "**Intermediary**"). An Intermediary must (a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) participate, in any way, in the collection of Interest or in the transfer of the Notes.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder.

Payments of Interest in respect of Notes will not be subject to the *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected;
- (ii) Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes to an authorised financial intermediary and have opted for the *Risparmio Gestito* regime; Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity who have opted for the *Risparmio Gestito* regime are subject to an annual substitutive tax of 20 per cent. (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes). Pursuant to Decree No. 66, the Asset Management Tax will be increased to 26 per cent. with reference to any increase in value of the managed assets accrued as of 1 July 2014. The Asset Management Tax is applied by authorised Intermediaries.
- (iii) Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"). Italian resident pension funds subject to the regime provided by Articles 17, of Legislative Decree No. 252 of 5 December 2005 are subject to an annual substitutive tax of 11 per cent. (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which would include Interest accrued on the Notes, if any).
- (iv) open ended or closed ended investment funds or a investment companies with variable capital (SICAV) established in Italy when either (i) the fund or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**") and the relevant Notes are held by an authorised intermediary. In such case, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results, but a withholding tax of 20 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution (the withholding tax will be increased to 26 per cent. with reference to any distribution made as of 1 July 2014, pursuant to Decree No. 66) and/or redemption or disposal of the units and shares (the withholding tax will be increased to 26 per cent. with reference to any proceeds accrued as of 1 July 2014, pursuant to Decree No. 66);
- (v) Italian resident real estate investment funds (complying with the definition as amended pursuant to Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010) established after 26 September 2001 pursuant to Article 37 of Legislative Decree No. 58 and Article 14-bis of Law No. 86 of 25 January 1994, or in any case subject to the tax treatment provided for by Law Decree No. 351 of 25 September 2001,

converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree No. 351**"), hereinafter the ("**Real Estate Investment Funds**"); and

Non-Italian Resident Noteholders

- (vi) Where the Noteholder is a non-Italian resident (with no permanent establishment in the Republic of Italy to which the Notes are effectively connected), provided that the non-Italian resident beneficial owner is:
- (a) resident, for tax purposes, in a State or territory included in the list of States or territories allowing an adequate exchange of information with the Italian tax authorities that will be provided by a ministerial decree, to be issued pursuant to Article 168-bis of Decree 917/1986. Until such decree is entered into force, ministerial decree of 4 September 1996, as subsequently amended, providing for a "white list" of countries which allow an adequate exchange of information with Italian tax authorities, applies; or
 - (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
 - (c) an "institutional investor", whether or not subject to tax, which is established in a country which allows for a satisfactory exchange of information with Italy; or
 - (d) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State;
 - (e) all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended and supplemented, in order to benefit from the exemption from substitute tax are timely met and complied with.

Such categories are usually referred as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, gross recipients must (i) be the beneficial owners of payments of Interest on the Notes; (ii) timely deposit the Notes together with the coupons relating to such Notes, if any, directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a foreign intermediary); and (iii) in the event of non-Italian resident beneficial owners timely file with the relevant depository (which may be a non-Italian resident entity participating in a centralised securities management system connected via telematic link with the Italian Ministry of Economy and Finance) a self-declaration (*autocertificazione*) stating their residence, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-declaration is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document with an equivalent purpose has previously been filed with the same depository.

Interest accrued on the Notes must be included in the relevant Noteholder's annual corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholders, also in the net value of production for purposes of regional tax on productive activities ("IRAP")) if the Noteholder is an Italian resident corporation or permanent establishment in Italy of foreign corporation to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Any positive difference between the nominal amount of the Notes and their issue price is deemed to be Interest for tax purposes.

Taxation of Capital Gains

Any capital gain realised upon the sale for consideration, transfer or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases depending on the status of Noteholder, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity.

Pursuant to Legislative Decree No. 461, any capital gain realised by Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to a substitute tax at the current rate of 20 per cent. (which will be increased to 26 per cent. with reference to any capital gain realised as of 1 July 2014, pursuant to Decree No. 66).

Under the tax return regime (the "**Regime della Dichiarazione**"), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, substitute tax on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss, realised by Italian resident individual Noteholders holding Notes otherwise than in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report total capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return to be filed with the Italian tax authorities for such year and pay substitute tax on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June

2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax return regime depicted above, Italian resident individual Noteholders holding Notes otherwise than in connection with entrepreneurial activity may elect to pay 20 per cent. substitute tax (which will be increased to 26 per cent. with reference to any capital gain realised as of 1 July 2014, pursuant to Decree No. 66) separately on capital gains realised on each sale, transfer or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The financial intermediary is responsible for accounting for substitute tax in respect of capital gains realised on each sale, transfer or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any relevant incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax return and remains anonymous. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains on Notes held by Italian resident individuals otherwise than in connection with entrepreneurial activity who have elected for the *Risparmio Gestito* regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the *Risparmio Gestito* regime, any depreciation of the managed assets, accrued at year end, may be carried forward against any increase in value of the managed assets accrued in any of the four subsequent years. Under the *Risparmio Gestito* regime, the Noteholder is not required to report capital gains realised in its annual tax return and remains anonymous. Pursuant to Decree No. 66, depreciations of the managed assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations in value registered before 1 January 2012; (ii) 76.92 per cent. of the depreciations in value registered from 1 January 2012 to 30 June 2014.

Any capital gains on Notes held by Noteholders who are Italian resident pension funds subject to the regime provided by Article 17 of Decree No. 252, will be included in the computation of the taxable basis of Pension Fund Tax.

Any capital gains realised by a Noteholder which is a Fund or SICAV will not be subject to

imposta sostitutiva, but will be included in the result of the relevant portfolio. The Fund will not be subject to taxation on such result but a withholding tax of 20 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution (such withholding tax will be increased to 26 per cent. with reference to any distribution made as of 1 July 2014, pursuant to Decree No. 66) and/or redemption or disposal of the units and shares (such withholding tax will be increased to 26 per cent. with reference to any proceeds accrued as of 1 July 2014, pursuant to Decree No. 66).

Capital gains on Notes held by Italian Real Estate Investment Funds are not taxable at the level of same Real Estate Investment Funds.

The 20 per cent. substitute tax on capital gains (which will be increased to 26 per cent. with reference to any capital gain realised as of 1 July 2014, pursuant to Decree No. 66) may, in certain circumstances, be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad and in certain cases subject to prompt filing of required documentation (in particular, a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with whom the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not traded on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461, of Decree No. 350 and of Decree No. 239, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. In this case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary an appropriate self-declaration stating that the requirement of tax residence in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information is met.
- (b) in any event, non-Italian resident persons or entities without a permanent establishment

in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to taxation in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In this case, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident Noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October, 2006, converted into Law No. 286 of 24 November, 2006 as amended by Law No. 296 of 27 December 2006, the transfers of any valuable asset (such as the Notes) by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 (per beneficiary);
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift;
- (c) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding Euro 100,000.00 (per beneficiary); and
- (d) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

Moreover, an anti-avoidance rule is provided for by Law No. 383/2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains to the "*imposta sostitutiva*" provided for by Italian Decree No. 461/1997. In particular, if the donee

sells the Notes for consideration within 5 years from the receipt thereof as a gift, the donee is required to pay the relevant "*imposta sostitutiva*" on capital gains as if the gift was not made.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax at rate of €200 only in case of use or voluntary registration or occurrence of the so-called *enunciazione*.

Stamp duty on financial instruments

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Law Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or – if no market value figure is available – on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held outside of the Italian territory. The Italian tax authority clarified (Circular No. 28/E of 2 July 2012) that financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries.

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August

1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad or are the beneficial owners, under the Italian money-laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through Italian financial intermediaries intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €10,000 threshold throughout the year.

EU Savings Tax Directive

The European Union has adopted a Directive regarding the taxation of savings income in the form of interest payments (Council Directive 2003/48/EC of 3 June 2003). Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 ("Decree No. 84"). Under Decree No. 84, subject to a number of important conditions being met, in the case of Interest paid from 1 July 2005 (including the case of interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, the Italian paying agents (i.e. banks, *società di intermediazione mobiliare* (SIMs), fiduciary companies, *società di gestione del risparmio* (SGRs), resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State to which interest is paid or for which interest is secured for the benefit of the beneficial owner, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are taxed under general arrangements for business taxation and, in certain circumstance, UCITS recognised in accordance with Directive 2009/65/EEC.

On 24 March 2014, the European Council formally adopted a Council Directive amending the EU Savings Directive (the "**Amending Directive**") and broadening the scope of the requirements described above. Member States are required to implement national legislation giving effect to these changes by 1 January 2016. That domestic legislation must be applied

from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest. Investors who are in any doubt as to their position should consult their professional advisers.

Luxembourg Taxation

The following information is of a general nature and is based on the laws currently in force in Luxembourg. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be, nor should it be construed as, a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere, or legal or tax advice. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This information is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to Luxembourg withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Withholding tax

All payments of interest and principal by the Luxembourg Paying Agent in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June 2005, as amended, implementing the European Union Savings Directive (Council Directive 2003/48/EC) and several agreements concluded with certain dependent or associate territories and providing for the possible application of a withholding tax (35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of "residual entities", within the meaning of the European Union Savings Directive) resident in, or established in, an EU Member State (other than Luxembourg) or one of the territories;
- (ii) In April 2013, the Luxembourg Gouvernement announced its intention to abolish the withholding system with effect as of 1 January 2015, in favour of automatic information exchange under the European Union Savings Directive;
- (iii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which has introduced a 10 per cent. final (if the beneficial

owner is an individual acting in the course of the management of his/her private wealth) withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005, as amended, implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income ("**EU Savings Directive**"). The EU Savings Directive is, in principle, applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the laws of 21 June 2005. Under the directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest within the meaning of the EU Savings Directive or other similar income paid by a paying agent within the meaning of the EU Savings Directive, to an individual resident or certain types of entities called "residual entities", within the meaning of the EU Savings Directive (the "Residual Entities"), established in that other Member State (or certain dependent or associated territories). For a transitional period, however, Austria and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of the withholding is of 20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. as from 1 July 2011. The transitional period is to terminate at the end of first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. See "European Union Directive on the Taxation of Savings Income in the Form of Interest Payments" (Council Directive 2003/48/EC).

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with those dependent or associated territories in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) in Luxembourg to, or

collected by such a paying agent for, an individual resident or a Residual Entity established in one of those territories.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the EU Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the EU Savings Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

The proposed financial transactions tax (FTT)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

United States Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, amended ("FATCA") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless

otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer will be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Italy have entered into an IGA (the "**US-Italy IGA**") based on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Italy IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are held within the relevant clearing system, it is expected that FATCA will

not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the clearing systems, given that each of the entities in the payment chain beginning with the paying agent and ending with the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Dealer Agreement

Notes may be sold from time to time by the Issuer to any one or more of Banca IMI S.p.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, Société Générale, UBS Limited and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 19 May 2014 (the "**Dealer Agreement**") and made between the Issuer, the Representative of the Noteholders and the Dealers, as amended and supplemented from time to time. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Subscription Agreements

Any agreement between CDP, the Representative of the Noteholders and any one or more of the Dealers and/or any additional or other dealers, from time to time for the sale and purchase of Notes (a "**Subscription Agreement**" and each Dealer party thereto, a "**Relevant Dealer**") will *inter alia* make provision for the price at which the relevant Notes will be purchased by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable or

allowable by CDP in respect of such purchase.

Each Subscription Agreement will also provide for the appointment of the Representative of the Noteholders by the Relevant Dealer(s) as initial holder(s) of the Notes then being issued.

Selling restrictions

General selling restrictions

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply to the best of its knowledge and belief with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither CDP nor any other Dealer shall have responsibility therefor. Persons into whose hands the Base Prospectus or any Final Terms comes are required by CDP and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this paragraph.

Selling restrictions may be supplemented or modified with the agreement of CDP. Any such supplement or modification will be set out in a supplement to this Base Prospectus or in the relevant Final Terms (in case of a supplement or modification only to a particular Tranche of Notes).

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and defined in Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation**

No. 11971"); or

- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended (the "**Banking Act**"), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Banking Act and the implementation guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the Securities in the Republic of Italy; and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Investors should also note that, in any subsequent distribution of the Notes on the secondary market in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to offers to the public of securities and with the prospectus requirement rules under Decree No. 58 and Regulation No. 11971. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be

offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has severally agreed and each additional Dealer appointed under the Programme will be required to severally agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of commencement of the offering of the Notes and the issue date hereof, as certified to the Issuer by such Dealer (or, in the case of a sale of a Series to or through more than one Dealer, by each of such Dealers as to the Notes of such Series purchased by or through it, in which case the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will be required to agree that it will send to each Dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Series, any offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended; the "**FIEL**") and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it has not offered or sold and it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person

whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Offer to the Public Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- a. *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Offer to the Public**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Offer to the Public, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Offer to the Public;

- b. *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c. *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- d. *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

GENERAL INFORMATION

Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Authorisations

The annual update of the Programme was authorised by resolution of the Board of Directors of the Issuer passed on 25 May 2005, as confirmed by resolution of the Board of Directors of the Issuer on 26 March 2014, which are valid and effective at the date hereof. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing of the Notes

The Notes will be in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy), for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream, Luxembourg). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. The Notes have been accepted for clearance by Monte Titoli S.p.A..

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto.

Use of proceeds

The net proceeds of the issue of each Series of Notes will be used for general funding purposes of the Issuer.

The Representative of the Noteholders

Pursuant to the provisions of paragraph 20 of Article 5, the Conditions and the Rules of Organisation, there shall be at all times a Representative of the Noteholders appointed to act in the interest and behalf of the Noteholders. The Representative of the Noteholders (other

than for Notes having a minimum denomination of less than €100,000 which are Offered to the Public) is currently BNY Mellon Corporate Trustee Services Limited as successor of J.P. Morgan Corporate Trustee Limited. BNY Mellon Corporate Trustee Services Limited shall be appointed by the Dealers in accordance with the Dealer Agreement at the time of issue of each Series of Notes (other than for Notes having a minimum denomination of less than €100,000 which are Offered to the Public. In such circumstances, the Representative of the Noteholders shall be appointed in accordance with the Conditions, the Rules of Organisation and the relevant provisions of the Dealer Agreement).

Governmental, Legal, and Arbitration Proceedings

Save as disclosed in this Base Prospectus in section "Recent Events" at page 147, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.

No material adverse and no significant change

There has been no material adverse change in the prospects of the Issuer since 31 December 2013, nor has there been any significant change in the trading position or the financial position of the Issuer, which has occurred since 31 December 2013.

Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and (where applicable) English translations of the following documents may be inspected during normal business hours at the specified office of the Principal Paying Agent and Luxembourg Paying Agent, and copies of the documents referred below can be obtained free of charge from the Principal Paying Agent and Luxembourg Paying Agent during normal business hours on request of the Noteholders, namely:

- (a) the Article 5 and Bylaws (*Statuto*) of the Issuer;
- (b) the Agency Agreement;
- (c) the Dealer Agreement;
- (d) the non consolidated audited annual financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2012 and 31 December 2013;
- (e) the consolidated audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2012 and 31 December 2013;

- (f) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;
- (g) reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters); and
- (h) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.

Financial statements available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available audited annual financial statements and unaudited interim financial information of the Issuer may be obtained during normal business hours at the specified office of the Principal Paying Agent and Luxembourg Paying Agent.

Certificate

No request has been made for a certificate permitting offers to the public of the Notes in other member states of the European Union.

Publication on the Internet

This Base Prospectus, any supplement thereto and the Final Terms will be available on the internet site of the Luxembourg Stock Exchange (www.bourse.lu).

Auditors

The consolidated and non consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2012 and 31 December 2013 by PricewaterhouseCoopers S.p.A., who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

PricewaterhouseCoopers S.p.A. is registered under No. 119644 in the Register of Accountancy Auditors (Registro Revisori Legali) by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., which is located at Via Monte Rosa 91, 20149 Milan, Italy, is also a member of ASSIREVI (the Italian association of audit firms).

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the

Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

2006 ISDA Definitions

Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions.

Passporting

The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. For the purpose of this paragraph the term "affiliates" includes also parent companies.

REGISTERED OFFICE OF THE ISSUER

CASSA DEPOSITI E PRESTITI S.P.A.

Via Goito, 4
00185 Rome
Italy

JOINT ARRANGERS

Cassa depositi e prestiti S.p.A.

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00185 Rome
Italy

Barclays Bank PLC

5 The North Colonnade
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London E14 4BB
United Kingdom

DEALERS

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5 The North Colonnade
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BNP PARIBAS

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Commerzbank Aktiengesellschaft

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MPS Capital Services Banca per le Imprese S.p.A.

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UniCredit Bank AG

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THE REPRESENTATIVE OF THE NOTEHOLDERS

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PRINCIPAL PAYING AGENT

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201223 Milan
Italy

LUXEMBOURG PAYING AGENT AND LISTING AGENT

THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.

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Luxembourg - Grand Duchy of Luxembourg

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To the Joint Arrangers and the Dealers:

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To the Representative of the Noteholders:

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