

Base Prospectus dated 21 May 2013



Cassa depositi e prestiti S.p.A.  
(incorporated with limited liability in the Republic of Italy)  
Euro 8,000,000,000  
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 8,000,000,000 (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 will have a minimum denomination of Euro 100,000. No Notes may be issued under the Programme which have a minimum denomination of less than Euro 100,000.

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**"), for its approval to this Base Prospectus. The CSSF assumes no responsibility with regard to the economic and financial soundness of any transaction under this Programme or the quality and solvency of the Issuer.

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 (a regulated market for the purposes of Directive 2004/39/EC) and to be listed on 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 listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. No request has been made by the Issuer on the date of this Base Prospectus for a certificate permitting public offers of the Notes in other Member States of the European Union.

Notes will be issued by the Issuer to raise funds to finance projects, plant, networks and assets for the supply of public services and for reclaiming lands pursuant to paragraph 7 of 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**").

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.

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 (the "**Legislative Decree No. 58**") as subsequently amended 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 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 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. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to 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 Regulation (EC) No 1060/2009, as amended by Regulation (EU) 513/2011 of 11 May 2011 (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.

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.

**Arranger**

Cassa depositi e prestiti S.p.A.

**Dealers**

Banca IMI  
Barclays  
BofA Merrill Lynch  
Citigroup  
Commerzbank  
Credit Suisse  
Deutsche Bank  
HSBC

J.P. Morgan  
Morgan Stanley  
MPS Capital Services  
Nomura  
Société Générale Corporate and Investment Banking  
UBS Investment Bank  
UniCredit Bank

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## 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.*

Under the Programme, the Issuer may, from time to time, issue Notes denominated in any currency, subject as set out herein. A summary 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 and will be set out in the Terms and Conditions of the Notes, as completed by Part A of the applicable Final Terms.

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 8,000,000,000 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 relevant 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, having its registered office at Via Goito No. 4, 00185 Rome, Italy, registered with No. 80199230584 in the register of companies of Rome.

**Arranger:** CDP.

**Dealers:** Banca IMI S.p.A., Barclays Bank PLC, UniCredit Bank AG, Citigroup Global Markets Limited, Credit Suisse Securities

(Europe) Limited, Deutsche Bank AG, London Branch, Commerzbank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Merrill Lynch International, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, Société Générale, UBS Limited 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, which succeeded to JPMorgan Chase Bank N.A., Italian branch in the role of Principal Paying Agent, 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), which succeeded to J.P. Morgan Bank Luxembourg S.A. in the role of Luxembourg Paying Agent and Luxembourg Listing Agent 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 Noteholders:** BNY 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, which succeeded to J.P. Morgan Corporate Trustee Services Limited in the role of Representative of Noteholders, or any other person for the time being acting as Representative of the Noteholders. The Representative of 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** Each Series may be admitted to trading on the regulated market

**Trading:** 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 8,000,000,000 (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 (the "**Legislative Decree No. 58**"), as subsequently amended, 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.

**Other provisions in relation to Floating Rate Notes:** Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as 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.

**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.

**Status of the Notes:** The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* 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.

**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.

Any Notes in respect of which the issue proceeds are received by the Issuer in the United Kingdom and which must be redeemed before the first anniversary of their date of issue must

(a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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; or (b) be issued in other circumstances which do not constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (FSMA) by the Issuer.

**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 (*Redemption and Purchase - Redemption for tax reasons*).

**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:** Notes which may be listed 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 situated or operating in a member state of the European Union may not (a) have a minimum denomination of less than Euro 100,000 (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 specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

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

**Taxation:** All payments made by the Issuer in respect of Notes will be made free and clear of any withholding or deduction for, or on account of, taxes due under the tax jurisdiction of the Republic of Italy, unless the withholding or the deduction is required by

law. In that event, the Issuer will (subject as provided in Condition 10 (*Taxation*)) 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.

As more fully set out in Condition 10 (*Taxation*), 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 ("Decree No. 239"), and related regulations of implementation which have been or may subsequently be enacted on account of *imposta sostitutiva* as defined therein in relation to interest payable in respect of any Notes.

**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.

**Governing Law:**

The laws of the Republic of Italy.

**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.

**Risk Factors:**

Investing in the Notes involves certain risks. Risk factors identified include general risk factors which may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. These general business risks factors include credit risk and market risk, liquidity risk, exchange rate risk and interest rate risk.

Other risk factors identified by the Issuer are specific to the Notes and include risks related to structure of a particular issue of Notes (e.g. Notes issued at a substantial discounted or premium etc.) and risk related to Notes generally, such as the risk of changes in currency or interest rates and change of law.

**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.

## **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 Notes**

#### ***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.

#### ***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.

### ***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 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 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 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 projects, plant, networks and assets for the supply of public services and for reclaiming lands pursuant to paragraph 7, letter (b) of Article 5. 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 Noteholders to have regard to the interests of the Noteholders as regards all powers, authorities, duties and discretions of the Representative of Noteholders as if they formed a single Series and the Representative of 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.

#### ***U.S. Foreign Account Tax Compliance Withholding***

The Issuer and other non-U.S. financial institutions to which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 pursuant to the foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act of 2010. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer has a positive "passthru percentage" (as defined in FATCA), and (iii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS, or (c) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding. The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected.

The application of FATCA to Notes issued or materially modified on or after the later of 1 January 2014 or the date that is six months after the date on which final regulations that define "foreign passthru payments" are published (the end of the grandfathering period) may be addressed in the

relevant Final Terms or a supplement/supplementary prospectus to this Base Prospectus, as applicable.

FATCA is particularly complex and its application to the Issuer, the Notes and the Holders of the Notes is uncertain at this time. Each Holder of Notes should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each Holder in its particular circumstance.

### **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. 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 2012, the total gross financial debt of the Issuer amounted to Euro 282,335 million, of which Euro 233,631 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 3, letter (a) of Article 5; and (iii) its title to the shareholdings transferred to CDP by the MEF at the time of its transformation in a joint stock company.

#### ***Proceeds of projects, plant, networks and assets financed by CDP through the Notes***

The net proceeds of the issuance of the Notes will be used to finance certain projects, plant, networks and assets for the supply of public services and for reclaiming lands, in accordance with the provisions of paragraph 7 of Article 5, as well as to finance activities and transactions which are instrumental, connected and/or ancillary thereto. Pursuant to paragraph 19 of Article 5, upon termination (including any early termination) of any service or management agreement entered into in respect of public projects, plant, networks or other assets which have been financed by CDP through the issue of Notes, all indemnities owed to the service provider or manager are to be applied first to the satisfaction in full of CDP's (or other involved lenders') claims in respect of their financing. Moreover, paragraph 19 of Article 5 provides that such indemnity amounts cannot be claimed or attached by creditors other than CDP (or other involved lenders). In addition, without prejudice to the payment obligations of the provider or manager whose appointment has been terminated, the new service provider or manager of the public service is liable for any outstanding payment obligations against CDP (or other authorised lenders). Until the new service provider or manager is appointed, the public entity awarding the licence in respect of the project, plant or network, and the owner thereof (if any), are jointly and severally liable for the outstanding payment obligations of CDP in respect of the financing made available for such project, plant or network. However, it should be noted that (i) up to now the provisions of paragraph 19 of Article 5 have never been invoked in a practical case and therefore their immediate effectiveness has never been tested neither in practice nor in court and (ii) in any case the income generated by the projects, plant and networks so financed will not be destined by provisions of law to the repayment of the financing made available by the Issuer through the issue of the Notes, nor will the income be destined or secured in any way in favour of the Noteholders.

#### ***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 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 Noteholders to take such actions within a reasonable period of time.

#### ***The sovereign debt crisis***

During the course of 2011 and 2012, the debt crisis in the Euro-zone intensified and has continued in 2013. In this context, certain countries (e.g. Greece, Ireland, Portugal and most recently Cyprus) requested financial aid from the European Union. 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. In addition, large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. In particular, the Issuer's credit ratings closely reflect the rating of the Republic of Italy. Accordingly, on the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have an effect on the credit rating of Italian issuers, such as CDP.

*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 NOTICES**

This Base Prospectus should be read and construed together with any supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

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) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person 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.

Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

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. 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".

In particular, this Base Prospectus has not been submitted to the clearance procedures of *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and may not be used in connection with any offering of the Notes in Italy other than to institutional investors (*investitori istituzionali*), pursuant to Article 5.

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.

The Notes may not be offered or sold directly or indirectly, and neither this Base Prospectus nor any other Base Prospectus or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the European Economic Area, the United States of America and Japan), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. 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" below.

Neither this Base Prospectus or any supplement thereto, nor any Final Terms (or any part thereof) constitutes an offer, nor may they be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. 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.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 8,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes and be calculated 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, the Issuer shall prepare a supplement to the Base Prospectus.

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**" 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.

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**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 relevant Subscription Agreement (as defined below) 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.**

## **RESPONSIBILITY STATEMENT**

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

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated 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, and its Bylaws (Statuto);
2. the audited separate annual financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2011;
3. 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 2011; and
4. the audited separate and consolidated annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2012.

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](http://www.cassaddpp.it)):

2012 Annual Report - separate financial statements	Page reference
1. Notes to annual financial statements	180-345
2. Balance sheet	172-173
3. Income statement	174
4. Changes in equity	176
5. Auditor's report	363-365
6. Cash flow statement	178

2012 Annual Report - consolidated financial statements	Page reference
1. Notes to annual financial statements	378-585
2. Balance sheet	371-372
3. Income statement	373
4. Changes in equity	375
5. Auditor's report	588-590
6. Cash flow statement	377

2011 Separate Financial Statements	Page reference
1. Notes to annual financial statements	129 - 275
2. Balance sheet	122-123
3. Income statement	124
4. Changes in equity	126
5. Auditor's report	109-111
6. Cash flow statement	128

2011 Consolidated Financial Statements	Page reference
1. Notes to annual financial statements	77-256
2. Balance sheet	70-71
3. Income statement	72
4. Changes in equity	74
5. Auditor's report	61-63
6. Cash flow statement	76

This Base Prospectus and the documents incorporated by reference are available for viewing on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

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 separate financial statements of the Issuer as at and for the year ended 31 December 2011 and 31 December 2012, and the consolidated financial statements of the Issuer as at and for the year ended 31 December 2011 and 31 December 2012, 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 58/1998, that the accounting information contained in this Base Prospectus corresponds to that in the accounting documentation, books and records.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

The Issuer has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or changes in the information set out under "Terms and Conditions of the Notes", that is material in the context of issuance under the Programme, and in any case as permitted under Article 16 of the Prospectus Directive, the Issuer will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

## 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 8,000,000,000 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 5 August 2005, the Issuer has entered into an agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") with JPMorgan Chase Bank N.A., Milan branch (now 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 J.P. Morgan Bank Luxembourg S.A. (now 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 as the exhibit 1 to these Conditions (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 Specified 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 5 August 2005 by the Issuer, the Dealers and the Representative of Noteholders setting out the terms of issue of any Series of Notes and the terms of appointment of the Representative of Noteholders, as amended by means of an amendment to the dealer agreement entered into on 1 March 2010, of a second amendment to the dealer agreement entered into on 25 March 2011, of a third amendment to the dealer agreement entered into on 14 May 2012, and of a fourth amendment to the dealer agreement entered into on 21 May 2013, 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 of Noteholders;

"**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 of any Person 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, or determined in accordance with the provisions of, 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 Noteholders"** means BNY Corporate Trustee Services Limited, as representative of the Noteholders, as successor of J.P. Morgan Corporate Trustee Services Limited originally appointed in the Subscription Agreement relating to the first issue of Notes pursuant to the Dealer Agreement, and in any other subsequent Subscription Agreement entered into in relation to any further issue of Notes, 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). Each Series of Notes will have Notes of one denomination only. Notes will not be issued in denominations of less than Euro 100,000 (or its equivalent in other currencies).
- 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 from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*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, 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 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 9 (*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:

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

- (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:

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

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 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 17 (Notices) to the Paying Agents, Monte Titoli, the Issuer, the Representative of 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 17 (*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 Noteholders and the Noteholders (subject as aforesaid) 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. **Redemption and Purchase**

- 8.1 *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 9 (*Payments*).

- 8.2 *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 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 10 (*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 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 8.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.2.

- 8.3 *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 Noteholders in accordance with Condition 17 (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).
- 8.4 *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 8.3 (*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.

- 8.5 *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 8.5, 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 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).
- 8.6 *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 8.1 to 8.5 above.
- 8.7 *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.
- 8.8 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 8.8 or, if none is so specified, a Day Count Fraction of 30E/360.
- 8.9 *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price.
- 8.10 *Cancellation:* All Notes redeemed or purchased by the Issuer in accordance with this Condition 8 shall be cancelled and may not be reissued or resold.
9. **Payments**
- 9.1 *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.

- 9.2 *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 10 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of that Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 9.3 *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.
- 9.4 *Principal Paying Agent:* The Issuer reserves the right, subject to the prior written approval of the Representative of 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 17 (*Notices*).
- 9.5 *Luxembourg Paying Agent:* The Issuer reserves the right, subject to the prior written approval of the Representative of 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 17 (*Notices*).
- 9.6 *Other Paying Agents:* Subject to the provisions set forth in Conditions 9.4 (*Principal Paying Agent*) and 9.5 (*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.

10. **Taxation**

10.1 *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) if such withholding or deduction is imposed on a payment to an individual or a "residual entity" within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to (i) European Council Directive 2003/48/EC, as implemented, or any law implementing or complying with, or introduced in order to conform to, such Directive (ii) the law of 23 December 2005 introducing a 10 per cent. final withholding tax as regards Luxembourg resident individuals and (iii) the agreements on savings income concluded by the State of Luxembourg with several dependant or associated territories of the EU (being Jersey, Guernsey, the Isle of Man, the British Virgin Islands, Montserrat, the Dutch Antilles and Aruba); 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; and
- (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) any combination of items (i) through (viii).

10.2 *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.

## 11. **Events of Default**

11.1 If any of the following events occurs and is continuing, then the Representative of 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 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 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 Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of Noteholders, capable of remedy remains unremedied for 30 days or such longer period as the Representative of Noteholders may agree upon with the Issuer, after the Representative of Noteholders has given written notice thereof to the Issuer; or

(c) *Cross-default of Issuer:*

(1) any Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period;

(2) any such Indebtedness becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer; or

(3) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

*provided that* the amount of Indebtedness referred to in sub-paragraph (1) and/or sub-paragraph (2) above and/or the amount payable under any Guarantee referred to in sub-paragraph (3) above individually or in the aggregate exceeds Euro 10,000,000 (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 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.

## 12. Enforcement

- 12.1 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 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 satisfaction by the Noteholders, to commence any action against the Issuer in the interest of the Noteholders.

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

13.1 *Meetings of Noteholders:* The Rules of Organisation of Noteholders 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).

13.2 *Regard to Noteholders:* The Representative of 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 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.

13.3 *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.

13.4 *Appointment of the Representative of Noteholders:* Pursuant to the Rules of Organisation of Noteholders, and paragraph 20 of Article 5, for as long as any Note is outstanding, there shall be at all times one Representative of 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 of Noteholders and paragraph 20 of Article 5. The appointment of the initial Representative of 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 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 Noteholders may be replaced in accordance with the provisions set out in the Rules of Organisation of Noteholders.



13.5 *Modification*: The Notes and these Conditions may be amended with the consent of the Representative of Noteholders but, without the need of convening a meeting of the Noteholders (albeit without prejudice to the right of the Representative of Noteholders to call such a meeting) to correct a manifest error or to effect a modification or formal, minor and technical nature.

#### 14. **Prescription**

14.1 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.

14.2 In this Condition 14 (*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 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 17 (*Notices*).

#### 15. **Agents**

15.1 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.

15.2 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.

16. **Further Issues**

- 16.1 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.

17. **Notices**

- 17.1 *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](http://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.
- 17.2 *Variation:* The Representative of Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its 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 Noteholders shall require.

18. **Currency Indemnity**

- 18.1 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.

19. **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.

20. **Redenomination, Renominalisation and Reconventioning**

20.1 *Application:* This Condition 20 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

20.2 *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.

20.3 *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.

20.4 *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.

21. **Governing Law and Jurisdiction**

21.1 *Governing law:* The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.

21.2 *Jurisdiction:* The courts of Rome are to have exclusive jurisdiction to settle any dispute arising from or connected with the Notes.

Exhibit 1

**Rules of Organisation of Noteholders**

**TITLE I**

**GENERAL PROVISIONS**

**Article 1**

*General*

The Organisation of Noteholders (the "**Organisation of Noteholders**") is created concurrently with the issue and subscription of the first Series of Notes issued under the Programme (or, at any time if no Notes are outstanding under the Programme, by the issuance of any further Notes thereunder), and is governed by these Rules of Organisation of Noteholders (the "**Rules of Organisation**").

These Rules of Organisation and the Organisation of Noteholders shall remain in force and effect until full repayment or cancellation of all the Notes issued under the Programme.

The contents of these Rules of Organisation are deemed to be an integral part of each Note issued by the Issuer from time to time under the Programme.

**Article 2**

*Definitions*

Unless otherwise provided in these Rules of Organisation, any capitalised term shall have the meaning attributed to it in the Conditions.

Any reference herein to an "**Article**" shall be a reference to an article of these Rules of Organisation. Any reference herein to a "**Series**" of Notes shall be a reference, in the case of a Meeting of the Noteholders of one or more Series of Notes, to all the Notes of the same Series issued and outstanding.

In these Rules of Organisation, the terms below shall have the following meaning:

**"Basic Terms Modification"** means any modification which results in:

- (a) a change in the date fixed for the payment of interest or principal on the relevant Series of Notes (other than any postponement permitted under the Conditions);
- (b) a reduction, cancellation, or annulment of the amount of principal or interest payable on any date in respect of the relevant Series of Notes;
- (c) a change in the method of calculating the amount of any payment in respect of the relevant Series of Notes on redemption or maturity, or the date for such payment;
- (d) a change in the majority required to pass an Extraordinary Resolution or the quorum required at any Meeting;

- (e) a change in the currency of payment of the relevant Series of Notes other than as set out in the Conditions;
- (f) the appointment or removal of the Representative of Noteholders; and
- (g) an amendment to this definition;

"**Blocked Notes**" means the Notes for which a Voting Certificate has been issued by the relevant Monte Titoli Account Holder pursuant to the holder of the relevant Note(s) arranging for such Note(s) to be blocked in an account with the relevant Monte Titoli Account Holder not later than two Business Days before the time fixed for the Meeting and up to the moment in which the relevant Meeting is closed or the relevant Voting Certificate is surrendered to the relevant Monte Titoli Account Holder. A Voting Certificate shall be valid until the conclusion of the Meeting specified in the Voting Certificate or any adjournment of such Meeting and the relevant Monte Titoli Account Holder shall not be allowed to release the relevant Notes before such date unless the Voting Certificate is first surrendered to it. So long as a Voting Certificate is valid, the bearer thereof shall be considered to be the holder of the Notes to which such Voting Certificate refers for all purposes in connection with the Meeting;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 8 of these Rules;

"**Conditions**" means the terms and conditions of the Notes to which these Rules are an exhibit and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof;

"**Extraordinary Resolution**" means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in these Rules of Organisation, by a majority of not less than three quarters of the votes cast;

"**Meeting**" means a meeting of the relevant Noteholders (whether originally convened or resumed following an adjournment);

"**Notes**" and "**Noteholders**" means in connection with a Meeting of Noteholders of any Series, the Notes of such Series and the Noteholders of such Series, respectively;

"**Proxy**" means, with respect to a Meeting, written instructions issued by the account holder which authorise a designated physical person to vote according to such instructions with respect to the Blocked Notes; the signature of the person issuing such instructions shall be authenticated by the relevant Monte Titoli Account Holder which releases the related Voting Certificate or by a public official;

"**Proxy Holder**" means, in relation to a Meeting, an individual who has the right to vote in relation to a Blocked Note pursuant to a Proxy;

"**Relevant Fraction**" means:

- (a) for voting on any resolution other than an Extraordinary Resolution, one tenth of the principal amount outstanding on the Notes of each relevant Series;

- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two thirds of the principal amount outstanding on the Notes of each relevant Series; and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, three quarters of the principal amount outstanding on the Notes of each relevant Series;

provided, however, that, in the case of a Meeting postponed pursuant to Article 10, it shall mean:

- (a) for all voting other than on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the principal amount outstanding on the Notes represented or held by Voters present at the Meeting either in person or by Proxy; and
- (b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, one quarter of the principal amount outstanding on the outstanding Notes of the relevant Series;

"**Voter**" means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

"**Voting Certificate**" means, in relation to any Meeting, a certificate requested by any Noteholder and issued by the relevant Monte Titoli Account Holder in accordance with Articles 27 and 37 of CONSOB and Bank of Italy Regulation; stating *inter alia*:

- (a) that the Blocked Notes will not be released until the earlier of: (i) the conclusion of the Meeting or any adjournment thereof; and (ii) the surrender of the certificate to the relevant Monte Titoli Account Holder;
- (b) the number of the Blocked Notes; and
- (c) that the bearer of such certificate is entitled to attend and vote, also by way of Proxy, at the Meeting in respect of the Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Series who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules of Organisation, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders;

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business in the place where the Meeting of the relevant Noteholders is to be held, and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until it includes the aforesaid all or part of a day on which banks are open for business as described above; and

"**48 hours**" means 2 consecutive periods of 24 hours.

### **Article 3**

#### ***Purpose of the Organisation***

Each Noteholder becomes, as a consequence of the subscription or purchase of the relevant Note(s), a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action to protect the interests of the Noteholders.



## **TITLE II**

### **MEETINGS OF NOTEHOLDERS**

#### **Article 4**

##### *General Provisions*

Within 14 days of the conclusion of any Meeting, the Issuer shall give notice, in compliance with the provisions of Condition 17 (*Notices*), of the result of the votes on each resolution submitted to the Meeting. Such notice shall be sent by the Issuer to the Noteholders, the Paying Agents and the Representative of Noteholders.

Any resolution validly passed at any Meeting pursuant to these Rules of Organisation shall be binding upon all Noteholders whether or not present or dissenting at such Meeting and each of the Noteholders shall be bound to give effect to it accordingly.

If more than one Series of Notes is outstanding, a Meeting of all holders of the Notes will be convened, unless in the sole opinion of the Representative of Noteholders, the passing or rejection of any resolution affects only one Series of Notes, in which case a Meeting of the holders of such Series of Notes only will be convened.

For the avoidance of doubt, the appointment or revocation of the Representative of Noteholders and any amendments to the Conditions (other than to any provisions of the Final Terms which shall be approved at a Meeting of the Noteholders of the relevant Series or Tranche only), shall be transacted at a Meeting of all Noteholders.

A resolution is validly passed when at least two-thirds of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

#### **Article 5**

##### *Deposit of Voting Certificates and Validity of the Proxies and Voting Certificates*

In order to be admitted to participate in a Meeting, Noteholders must deposit their Voting Certificates with the Principal Paying Agent or Luxembourg Paying Agent not later than 48 hours before the relevant Meeting.

A Proxy shall be valid only if it is deposited, along with the related Voting Certificate(s) at the office of the Principal Paying Agent or Luxembourg Paying Agent, or at any other place approved respectively by the Principal Paying Agent or Luxembourg Paying Agent, not later than 48 hours before the relevant Meeting. If a Proxy is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda.

The Voting Certificates and Proxies shall be valid until the release of the Blocked Notes to which they relate.

#### **Article 6**

### ***Convening the Meeting***

Each of the Representative of Noteholders and the Issuer may convene a Meeting at any time. The Representative of Noteholders shall convene a Meeting at any time if requested to do so in writing (i) by a number of Noteholders representing at least one-fifth of the principal amount then outstanding on the relevant Series, or (ii) by the Issuer.

Whenever the Issuer wishes to request the Representative of Noteholders to convene the Meeting, it shall immediately send a notice in writing to that effect to the Representative of Noteholders specifying the day, time and location of the Meeting, and the items to be included in the agenda.

The Meeting will be held in the place indicated or approved by the Representative of Noteholders which shall liaise with the Principal Paying Agent in order to give notice to the Noteholders of such Meeting, pursuant to Article 7.

### **Article 7**

#### ***Notices***

At least 21 days prior to the day set for the Meeting (exclusive of the day on which notice is delivered and of the day of the Meeting), notice in writing must be provided (upon instruction from the Representative of Noteholders) by the Principal Paying Agent to the relevant Noteholders and to the Representative of Noteholders (and a copy of such notice must be provided to the Issuer) of the day, time and location of the Meeting. The notice shall set out the full text of any resolution to be voted on. In addition, the notice shall state that the Notes may be deposited with the relevant Monte Titoli Account Holder for the purposes of obtaining the Voting Certificates from such relevant Monte Titoli Account Holder or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

Should such formalities not be fulfilled, a Meeting shall be validly held if the entire principal amount outstanding on the relevant Series is represented thereat and the Issuer and the Representative of Noteholders are present.

### **Article 8**

#### ***Chairman of the Meeting***

The Meeting is chaired by the Representative of Noteholders or by an individual appointed in writing by the Representative of Noteholders. If the Representative of Noteholders is absent or unable to chair, the Meeting shall be chaired by the person so designated by the majority of the Voters present, failing which the Chairman will be appointed by the Issuer.

The Chairman ascertains that the Meeting has been duly convened and validly constituted, leads and moderates the debate, and defines the terms for voting.

The Chairman may be assisted by a secretary to be chosen amongst the participants to the Meeting. The Chairman may be assisted by outside experts or technical consultants, specifically invited to

assist on any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

## **Article 9**

### ***Quorum***

The quorum at any Meeting shall be at least two Voters (unless all the relevant Notes are held by one Voter only, in which case the quorum shall be such Voter) representing or holding not less than the Relevant Fraction of the Notes of the relevant Series.

## **Article 10**

### ***Adjournment for want of quorum***

If a quorum is not reached within 30 minutes after the time fixed for any given Meeting, the Meeting shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the date of such Meeting, at such time and location as may be determined by the Chairman.

## **Article 11**

### ***Adjourned Meeting***

At any adjourned Meeting no business shall be transacted except business which should have been transacted at the Meeting at which the adjournment took place.

## **Article 12**

### ***Notice following adjournment***

If a Meeting is adjourned in accordance with the provisions of Article 10 above, such Meeting shall be reconvened in compliance with the terms provided in Articles 6 and 7 above, provided however that:

- (a) 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

## **Article 13**

### ***Participation***

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the directors and the statutory auditors of the Issuer;
- (c) the Representative of Noteholders;

- (d) the Principal Paying Agent;
- (e) the financial advisers and legal counsel to the Issuer and/or the Representative of Noteholders; and
- (f) any other person authorised by virtue of a resolution of the relevant Meeting.

#### **Article 14**

##### ***Voting by show of hands***

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands. If before the vote by show of hands the Chairman or one or more Voters who represent or hold at least one-tenth of the principal amount outstanding on the relevant Series of Notes participating to the Meeting, request to vote by poll pursuant to Article 15 below the question shall be voted on in compliance with the provisions of Article 15. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

Unless a poll is validly requested, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

#### **Article 15**

##### ***Voting by poll***

Whenever it is not possible to approve a resolution by show of hands in accordance with Article 14 or a demand for a poll has been validly made by the Chairman or Voter(s) pursuant to Article 14 above, voting shall be carried out by poll. Such vote may be taken immediately or after any adjournment is directed by the Chairman.

The Chairman sets the rules for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the rules set by the Chairman shall be null and void. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

#### **Article 16**

##### ***Votes***

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) the number of votes obtained by dividing (i) that fraction of the aggregate principal amount of the outstanding Note(s) of any Series represented or held by such Voter by (ii) the lowest denomination of the Notes of such Series, when voting by poll.

Unless the terms of any Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner.

In the case of a voting tie, the Chairman shall have a casting vote.

No voting rights shall be exercisable in respect of the Notes held by the Issuer, unless the Issuer holds the entire issued and outstanding Notes of any Series, in which case the Issuer shall be entitled to exercise its voting rights in respect of the Notes of such Series, in accordance with these Rules of Organisation.

## **Article 17**

### ***Voting by Proxy***

Revocation of a Proxy shall be valid only if the Principal Paying Agent is notified in writing of such revocation not later than 24 hours prior to the time set for the Meeting. Unless revoked, the appointment to vote contained in a Proxy for a Meeting shall remain valid also in relation to a Meeting resumed following an adjournment, unless such Meeting was adjourned pursuant to Article 10 above. If a Meeting is adjourned pursuant to Article 10 above, each person appointed to vote in such Meeting shall have to be appointed again by virtue of another Proxy.

The Proxy shall be signed by the person granting the Proxy, shall not be granted in blank, and shall bear the date, the name of the person appointed to vote, and the related Proxies. If, in relation to any given resolution, there is no indication of how the right to vote is to be exercised, then such vote shall be deemed to be an abstention from voting on such proposed resolution.

## **Article 18**

### ***Powers of the Meeting***

A Meeting shall have the power, without prejudice to any powers conferred on its participants or any other person, to approve the matters set out in Article 19 below (exercisable by Extraordinary Resolution only) and to consider any other matters proposed to the Meeting for review by the relevant Noteholders, the Representative of Noteholders or the Issuer.

## **Article 19**

### ***Power exercisable by Extraordinary Resolutions***

The Meeting shall have the exclusive power (exercisable by Extraordinary Resolution only) in relation to the following matters:

- (a) the approval of any Basic Terms Modification;
- (b) the approval of any proposal by the Issuer for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) the approval of any scheme or proposal related to the mandatory exchange or substitution of any Series of Notes;
- (d) (without prejudice to the discretionary powers vested on the Representative of Noteholders in relation to the correction of a manifest error or to amendments of minor, technical or formal

nature under these Rules of Organisation, the Conditions, or otherwise) the approval of any amendments to (i) the Notes (including the Conditions) and (ii) these Rules of Organisation, which shall be proposed by the Issuer or the Representative of Noteholders;

- (e) the discharge or exoneration, including prior discharge or exoneration, of the Representative of Noteholders from any liability in relation to any act or omission for which the Representative of Noteholders has or may become liable pursuant or in relation to these Rules of Organisation, the Conditions and/or the Dealer Agreement;
- (f) the granting of any authority, order or sanction which, under the provisions of these Rules of Organisation or of the Conditions, must be granted pursuant to an Extraordinary Resolution;
- (g) the authorisation and ratification of the actions of the Representative of Noteholders in compliance with these Rules of Organisation, the Conditions and/or the Dealer Agreement; and
- (h) the authorisation to the Representative of Noteholders to give written notice to the Issuer declaring the Notes to be immediately due and payable in the event that any of the Events of Default listed in Condition 11 (*Events of Default*) occurs.

## **Article 20**

### ***Relationship between Series***

The Notes of all Series will rank *pari passu* and rateably without preference or priority amongst themselves for all purposes.

## **Article 21**

### ***Challenge of Resolution***

Any absent or dissenting Noteholder has the right to challenge resolutions which are not passed in compliance with the provisions of these Rules of Organisation.

## **Article 22**

### ***Minutes***

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and the secretary.

## **Article 23**

### ***Written Resolution***

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

## **Article 24**

### ***Individual Actions and Remedies***

The right of each Noteholder to bring individual actions or to take other individual remedies to enforce his/her rights under the Notes will be subject to the Meeting of all Series of Notes then outstanding not passing a resolution objecting to such individual action or other remedy. In this respect the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of Noteholders of his/her intention, specifying the action and remedy that he/she intends to commence against the Issuer;
- (b) the Representative of Noteholders will, without delay, call for the Meeting, as set out in these Rules of Organisation;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, or if no resolution is taken by the Meeting for want of quorum, the Noteholder will be prevented from taking such action or remedy (provided that the same matter can be submitted again to the Meeting after a reasonable time period); and
- (d) if the Meeting passes a resolution not objecting to or approving the enforcement of the individual action or remedy, the Representative of Noteholders, subject to being prior indemnified and secured to its satisfaction by the requesting Noteholder, shall take the actions approved or not objected to by the Meeting on behalf of the requesting Noteholder.

No individual action or remedy may be taken by a Noteholder to enforce his or her rights under the Notes unless (i) a Meeting has been convened to resolve on such action or remedy in accordance with the provisions of this Article 24 and (ii) the Representative of Noteholders failed to act within a reasonable period of time after becoming obliged to take the actions approved by the Meeting.

### TITLE III

#### THE REPRESENTATIVE OF THE NOTEHOLDERS

##### Article 25

##### *Appointment, Removal and Remuneration*

The appointment of the Representative of Noteholders will take place at a Meeting of all Noteholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of Noteholders which will be BNY Corporate Trustee Services Limited as successor of J.P. Morgan Corporate Trustee Services Limited.

The Representative of Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- (b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); or
- (c) any other entity which is not prohibited from acting in the capacity of Representative of Noteholders pursuant to the laws of the Republic of Italy.

Unless the Representative of Noteholders is removed by the Meeting of all Noteholders or it resigns in accordance with Article 27 below or the Dealer Agreement, in each case in relation to all Notes then outstanding, it shall remain in office until full repayment or cancellation of all the Notes issued from time to time under the Programme. The Meeting may remove the Representative of Noteholders in respect of all Notes (and not only part of the Notes outstanding) at any time and notice of the removal of the Representative of Noteholders will be published in compliance with the provisions of Condition 17 (*Notices*).

In the event of a termination of the appointment of the Representative of Noteholders for any reason whatsoever, such Representative of Noteholders shall remain in office until a substitute Representative of Noteholders, which shall be chosen among those listed in (a), (b), and (c) above, accepts the appointment and the powers and authority of the Representative of Noteholders whose appointment has been terminated shall be limited to those necessary to perform the essential functions required in connection with the Notes. In the event that a new Representative of Noteholders is not appointed within 3 months of termination of the appointment of the then Representative of Noteholders, the Representative of Noteholders shall be entitled to appoint a successor Representative of Noteholders on behalf of the Noteholders.

The directors, auditors and representatives of the Issuer and the persons falling within the provisions of Article 2382 or 2399 of the Italian Civil Code cannot be appointed as Representative of Noteholders, and if appointed as such they shall be automatically removed.



The Issuer shall pay to the Representative of Noteholders for its services as Representative of Noteholders as from the date hereof, a fee (plus any applicable value added tax) as agreed upon and detailed in a letter executed on or about the date of execution of the Dealer Agreement, between the Issuer and the Representative of Noteholders, for the activities carried out pursuant to the Conditions, these Rules of Organisation and the Dealer Agreement. The remuneration to be paid to the Representative of Noteholders for its services hereunder may, in agreement with the Issuer, be increased in connection with further issues of Notes under the Programme and in accordance with any consequent increase of the activities of the Representative of Noteholders.

## **Article 26**

### ***Duties and Powers of the Representative of Noteholders***

The Representative of Noteholders is the legal representative of the Organisation of Noteholders.

The Representative of Noteholders shall attend to the implementation of the decisions of the Meeting and has the power to exercise the rights attributed to it by virtue of the Conditions, these Rules of Organisation, the Agency Agreement and the Dealer Agreement in order to protect the interests of the Noteholders. The Representative of Noteholders has the right to convene Meetings to propose any course of action which might be from time to time necessary.

The Representative of Noteholders may also, whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid. The terms and conditions (including power to sub-delegate) of such appointment shall be set by the Representative of Noteholders depending on what it deems suitable in the interest of the Noteholders. The Representative of Noteholders shall not be bound to supervise the proceedings and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate. As soon as reasonably practicable, the Representative of Noteholders shall give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

The Representative of Noteholders is authorised to represent the Organisation of Noteholders, *inter alia*, in any judicial proceedings.

## **Article 27**

### ***Resignation of the Representative of Noteholders***

The Representative of Noteholders may resign in respect of all Notes at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of Noteholders shall not become effective until the Meeting of Noteholders has appointed a new Representative of Noteholders. The appointment of any new Representative of Noteholders shall be notified to the relevant stock exchange on which the Notes are listed, if any.

## Article 28

### *Exoneration of the Representative of Noteholders*

The Representative of Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein, in the Conditions, these Rules of Organisation and in the Dealer Agreement.

- (a) Without limiting the generality of the foregoing, the Representative of Noteholders:
- (i) shall not be under any obligation to take any steps to ascertain whether an Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of Noteholders hereunder or under the Conditions, the Agency Agreement, and the Dealer Agreement has occurred, and until the Representative of Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Event of Default has occurred;
  - (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Dealer Agreement and or the Agency Agreement of their obligations contained in the Conditions and hereunder or, as the case may be, in any of the aforesaid documents to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of Noteholders shall be entitled to assume that the Issuer and each other party to the aforesaid documents are carefully observing and performing all their respective obligations;
  - (iii) shall not be under any obligation to give notice to any person of its activities in the performance of the provisions of these Rules of Organisation, the Conditions, the Agency Agreement or the Dealer Agreement;
  - (iv) shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules of Organisation, the Conditions, the Dealer Agreement or the Agency Agreement, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Issuer or compliance therewith;
  - (v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

- (vi) shall not be responsible for procuring that the Rating Agencies or any other credit or rating agency or any other subject maintain the rating of the Notes;
  - (vii) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules of Organisation, the Conditions, the Dealer Agreement or the Agency Agreement;
  - (viii) (viii) shall not be obliged to evaluate the consequences that any modification of these Rules of Organisation, Conditions, the Dealer Agreement or the Agency Agreement may have for each individual Noteholder; and
  - (ix) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder or any other party any confidential, financial, price sensitive or other information made available to the Representative of Noteholders by the Issuer or any other person in connection with these Rules of Organisation and no Noteholder or any other party shall be entitled to take any action to obtain from the Representative of Noteholders any such information;
- (b) The Representative of Noteholders:
- (i) may give consent to the Issuer to amend the Notes and the Conditions, without being required to convene a meeting of the Noteholders, to correct a manifest error or to effect a modification of a formal, minor and technical nature;
  - (ii) may act on the advice of a certificate or opinion or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of negligence (*colpa*) or wilful default (*dolo*) on the part of the Representative of Noteholders;
  - (iii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
  - (iv) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercising of any right, power and discretion vested in the Representative of Noteholders by these Rules of Organisation or by operation of law, and the Representative of Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercising thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or negligence (*colpa*);

- (v) in connection with matters in respect of which the Representative of Noteholders is entitled to exercise its discretion hereunder, the Representative of Noteholders has the right - but not the obligation - to convene a Meeting in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of Noteholders shall be entitled to request that the Meeting indemnify it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;
- (vi) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding as the Noteholders;
- (vii) may fully rely on the Voting Certificates issued by the relevant Monte Titoli Account Holder in order to ascertain ownership of the Notes, such certificates are to be deemed proof of the statements attested to therein;
- (viii) may certify whether or not an Event of Default is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders and any other subject party to the Dealer Agreement and the Agency Agreement;
- (ix) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules of Organisation and/or the Notes may be remedied, and if the Representative of Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certification shall be conclusive and binding upon the Issuer and the Noteholders;
- (x) may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer and not yet cancelled;
- (xi) shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules of Organisation that such exercise will not be materially prejudicial to the interest of the Noteholders if the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected by such exercise, or have otherwise given their consent. If the Representative of Noteholders, in order to exercise properly its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the rating of the Notes, the Representative of Noteholders shall so inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of Noteholders, unless the Representative of Noteholders wishes to seek the valuation itself.

Any consent or approval given by the Representative of Noteholders under these Rules of Organisation, and the Dealer Agreement may be given on such terms and subject to such conditions (if any) as the Representative of Noteholders deems appropriate.

No provision of these Rules of Organisation shall require the Representative of Noteholders to do anything which may be illegal or contrary to applicable laws or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action.

## **Article 29**

### ***Indemnity***

Pursuant to the Dealer Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis), to the extent not already reimbursed, paid or discharged by the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authority and discretion and the performance of its duties under and otherwise in relation to these Rules of Organisation and the Conditions, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders against the Issuer, or any other person to enforce any obligation under these Rules of Organisation and the Notes, except insofar as any such expense is incurred as a result of the fraud (*frode*), negligence (*colpa*) or wilful default (*dolo*) of the Representative of the Noteholders.

## **TITLE IV**

### **THE ORGANISATION OF NOTEHOLDERS AFTER OCCURRENCE OF AN EVENT OF DEFAULT**

#### **Article 31**

##### *Powers*

Following the service of a notice of occurrence of an Event of Default, the Representative of 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 satisfaction by the Noteholders, to commence any action against the Issuer in the interest of the Noteholders. The Representative of the Noteholders shall have the right to convene a Meeting to obtain instructions from the Noteholders on the actions and steps to be taken to protect the interest of the Noteholders against the Issuer.

## **TITLE V**

### **GOVERNING LAW AND JURISDICTION**

#### **Article 32**

##### ***Governing Law and Jurisdiction***

These Rules of Organisation are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

The courts of Rome shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with these Rules of Organisation.

## FORM OF FINAL TERMS

### FINAL TERMS TO BE ADMITTED TO TRADING ON THE REGULATED MARKET OF THE LUXEMBOURG STOCK EXCHANGE

Final Terms dated [ ]

**Cassa depositi e prestiti S.p.A.**

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

**under the Euro 8,000,000,000**

**Euro Medium Term Note Programme**

#### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [ ] 2013 [and the Supplement to the Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the 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].]

*[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: [ ]

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

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 [*insert date*] (*if applicable*)]
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: [• % Fixed Rate]  
[[Euribor]/[Libor] +/- • % Floating Rate]  
[Zero Coupon]  
  
[Floating Rate: CMS Linked Interest]  
(further particulars specified below)
9. Change of Interest: [Applicable]/[Not Applicable]
10. Put/Call Options: [Investor Put]  
  
[Issuer Call]  
  
[(further particulars specified below)]

11. [(i)] Status of the Notes: Unsubordinated
- [(ii)] [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]

### 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 [*specify Business Day Convention 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))

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/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: [ ]

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: [ ]

**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) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice period: [ ]

*(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*

*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 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 and/or the method of calculating the same (if required or if different from that set out in the Conditions): [[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 Definitive Notes (and dates on which such Talons mature): [Yes]/[No]

22. Redenomination, renominalisation 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)*

**[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 8,000,000,000 Euro Medium Term Note Programme of Cassa depositi e prestiti S.p.A..]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/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. NOTIFICATION**

[No request has been made for a certificate permitting public offers of the Notes in other Member States of the European Union.] The [include name of competent authority in EEA home Member State] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

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

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

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

**5. [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:

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

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

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

6. **[YIELD**

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. *[[Floating Rate Notes]* **HISTORIC INTEREST RATE]**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

8. **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): [ ]

## 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 is 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. 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*). 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 law and regulatory provisions:

- (i) Article 5 of Law Decree 269 setting out, *inter alia*, (a) the corporate scope of CDP, (b) the structure of its financial management strategy, and (c) the special powers vested on 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 which established, *inter alia*, (i) the share capital of CDP; (ii) the transfer of share participations of 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 which established the guidelines for managing the share participations 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 participation and the relevant voting rights has to be previously agreed between CDP and the MEF and (ii) CDP has to previously consult with the MEF and to follow MEF's directives in carrying out any other managing act related to such transferred participations;
  - (c) the MD 2004 (as defined below) which provided, *inter alia*, the criteria relating to establishment of terms and conditions for the 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 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 which established that CDP may acquire shareholdings and participations in other companies provided that these are instrumental, ancillary or related to its corporate scope apart from 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 which established 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 and paragraph “*Financing of transactions promoted by Public Entities*”);
- (f) the ministerial decree of 22 January 2010 which authorised and regulated 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 and paragraph “*Financing in support of enterprises and other entities*”);
- (g) the ministerial decree of 30 November 2010 which established 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 which established 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 which established the transfer price for the purchase of SACE S.p.A. (“**SACE**”) and Simest S.p.A. (“**Simest**”).

Pursuant to some recent law provisions CDP's corporate scope 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**”) has 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's 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 by-laws, in favour of or promoted by such public entities, taking into consideration the economical 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 accessibility, 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 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”**) - introduced by the conversion law no. 33 of 9 April 2009 - has provided (i) that the intervention of CDP in the transactions comprised in the amendment to letter (a) of paragraph 7 of Article 5 introduced by Law Decree 185 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 activity, 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”**) has stated 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 there are also 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 scope 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 34 of 31 March 2011, as converted into law, has introduced a new paragraph 8-*bis* in Article 5 that enables CDP to acquire participations 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 6 July 2012, no. 95, as converted into law, has outlined the provisions for the exercise of the option right by CDP to acquire 100% of SACE and Fintecna S.p.A. from the MEF, and 76% of Simest from the Ministry of Economic Development.

Article 36, paragraphs 3 bis – 3 decies, of law decree 18 October 2012, no. 179, converted into law with modifications by law 17 December 2012, n. 221, has introduced new provisions with regards to the conditions and terms for the conversion of CDP preferred shares into ordinary shares.

## **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 law provisions, CDP's corporate scope 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 transactions in financial derivatives 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 operations of public interest promoted by such Public Entities, in accordance with the criteria established by the relevant MEF's 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 carried out in favour of small and medium-sized 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 operations in favour of small and medium-sized enterprises, which may only be conducted

through 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 scope 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 (twentyfive million). Financial transactions carried out for operations 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 may be carried out in favour of public or private entities having legal personality (*soggettività giuridica*), with the exclusion of natural persons. As part of this activity, CDP may also carry out transactions in financial derivatives on its own account in compliance with applicable law;

(A3) the acquisition of participations 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;

(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, and by means of placements to and borrowings from institutional investors only. As part of this activity, CDP may also carry out transactions in financial derivatives 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 transformation in 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 operations 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 scope 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 interest 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 raisings 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 bonds issuance by joint stock companies and more generally to the provisions of the Italian Civil Code on 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 on 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) to the applicable extent, (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 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 transparency and economic safeguard criteria. Article 6 of CDP's by-laws has been amended in order to specify that for the operations 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 the EU provisions on State Aids, 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 the 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 at the meetings of 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.

For the distribution of postal savings instruments, CDP and Poste Italiane entered into an agreement on 3 August 2011 (as subsequently integrated and modified) for a three-year term ending on 31 December 2013. Pursuant to such agreement, 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 the managed instruments and the net volumes of postal savings instruments fund-raising in each year.

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 a traditional activity of financing the Public Entities (as defined above) 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 the 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 the Public Entities in connection with the carrying out of public interest investments or in connection with other purposes in relation to which the relevant borrowers may incur indebtedness;
- (iii) the process carried out by CDP for the granting of the specific purpose loans is aimed at ascertaining whether the relevant borrower fulfils the requirements set forth by the applicable legislation, (including, *inter alia*, the compliance with the debt ratios provided for from time to time by the relevant law);
- (iv) in carrying out such financing activity CDP must ensure that each public borrower is granted, amongst its peers, free accessibility, 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 a daily newspaper;
- (vi) the financial equivalent of the interest rates applicable to the above-mentioned specific purpose loans shall not exceed, upon its calculation at the relevant computation date, the interest rate referred to in article 45, paragraph 32, of Law of 23 December 1998, No. 448 (*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 on 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 from (ii) to (vii) above, provided that such other loans are granted to the Public Entities and are destined to the carrying out of measures satisfying a public interest. The characteristics of such loans are set forth by CDP taking into account the specific purposes of the loans,

the features of the investment to be made by the relevant borrower and the characteristics of the borrower.

As at 31 December 2012, loans to customers and banks totalled Euro 85,418 million, including adjustments for IAS/IFRS purposes, a slight decrease from the end of 2011 (Euro 86,201 million). The decline can be attributed to the amount of debt repaid during the period and early repayments, which more than offset the start of repayment periods for loans granted and the disbursements of loans without a pre-repayment grace period. Early repayments in 2012 were significantly higher than in the previous years as a result of the compliance with the provisions of Decree Law 95 of 6 July 2012, as amended, for reducing the public debt. Including commitments to disburse funds, and excluding IAS/IFRS adjustments, the total stock came to Euro 92,039 million, a 3% decrease from 2011 (Euro 94,631 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 2012 and the increase in early repayments noted earlier.

New lending contracted during 2012 compared with a year earlier, going from Euro 6,213 million in 2011 (excluding the non-recurring loan granted to finance the past debt of the City of Rome) to Euro 3,308 million. More specifically, the decline in the volume of new loans granted is mainly due to the drop in loans to the regions and the presence in 2011 of two large-value loans (totalling Euro 1,668 million) with repayment borne by the central government, used for the construction of road and transport works. In general, in 2012, the tendency of public entities to reduce their debt burdens continued even more vigorously. This trend was spurred by a variety of legislative initiatives, including those introduced by the 2012 Stability Act, 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's loan portfolio showed virtually no problem positions and was essentially unchanged compared with 2011.

#### ***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 the 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's decree, and upon satisfactory assessment of the economical and financial feasibility of each such transaction.

On 12 March 2009 the MEF has adopted the 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 execution 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 EIB;
- b) that the beneficiaries of the financing under the amended letter (a) of paragraph 7 of Article 5 may be public or private entities, with the exclusion of natural persons, and
- c) that CDP shall grant the financing to the above mentioned transactions under the amended letter (a) of paragraph 7 of Article 5 on the basis of a creditworthiness analysis 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, provides the following provisions: (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 (twentyfivemillion), (ii) such financing may be carried out in favour of public or private entities having legal personality (*soggettività giuridica*), with 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% of the senior debt indicated in the project's funding plan and any due diligence activity is subject to the reasonable evidence to CDP that the complementary financing from the market is in the structuring phase.

The stock of loans at 31 December 2012 came to Euro 182 million. As of the same date, loans, including disbursement commitments and guarantees, totalled Euro 3,731 million.

#### ***Financing in support of enterprises and other entities***

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

#### ***Operations 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 can carry out also operations in favour of small and medium-sized enterprises for the purpose of supporting the economy.

Pursuant to such provisions of law and CDP's by-laws, as amended in order to reflect them, such operations in favour of small and medium-sized enterprises 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 the service of collective portfolio management pursuant to article 33 of Legislative Decree No. 58 of 24 February 1998 whose corporate scope fulfils one or more institutional objectives of CDP.

In the event of operations conducted through the banking system the risk assumed by CDP in carrying out this kind of financing is a risk of insolvency of the banks through which the funding is granted to the enterprises. An amount of up to Euro 8 billion (the “**Plafond PMI**”) has been made available to be utilised for providing funds to the banking system for the granting of loans in favour of small and medium-sized enterprises, for investments and increase of the 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 credit for SMEs, CDP has 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 of the Plafond PMI, but, with respect to the first plafond, the exposure of CDP towards the banks is guaranteed by assignment by way of security. CDP has considered to give a first and concrete contribution to the problem of delays in payment by the Public Administration, by allocating Euro 2 billion of the New Plafond PMI for this purpose. Through the resources provided by CDP, the banking system will carry out operations in favour of SME that own credits towards PA that have been certified liquid and existing arising out of contracts for works, services and supplies.

With regards to CDP’s intervention in favour of small and medium sized enterprises through the subscription of participations in investment funds, CDP has subscribed a participation in the Italian Investment Fund for the Small and Medium Sized Enterprises (*Fondo Italiano di Investimento per le PMI*). The promotion and the launching of such fund has been planned and sponsored by the MEF with the support of the confederation of Italian industries (Confindustria), the Italian Banking Association (ABI), CDP and the main Italian banking groups.

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

As also 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*), with 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 (twentyfivemillion).

CDP's activity with SACE 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 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 applied by the latter to financing operations 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 the other conditions, also the maximum level of the margin, inclusive of commissions if any, that the funded bank can add to the cost of funding provided by CDP, in order to determine the final cost to be applied to the financing operation in support of the final beneficiary, also on the basis of the relevant percentage guaranteed or insured by SACE;
- c) CDP is also authorised, at market conditions, to carry out directly or through the intermediation of SACE financing operations in support of the "internationalisation" of enterprises for amounts higher than Euro 25 million (provided that, when carried out directly by CDP, such operations 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) as to the maximum level of the margin are applied) where such operations present characteristics in relation to maturity or size incompatible with the intervention of the banking system or attain to economic sectors of strategic interest.

In April 2011 CDP's Board of Directors approved a plafond of Euro 2 billion, subsequently increased to Euro 4 billion in September 2012, to be used in funding this kind of transaction and guidelines for a framework agreement that has been entered into initially by CDP, ABI and SACE, and in April 2012 also by Simest, providing for general terms and conditions pursuant to which transactions so funded can be carried out.

#### *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 under special law provisions.

Pursuant to Article 1 paragraphs 354 to 361 of Law n. 311 of 30 December 2004 (the budget law for 2005) -which reformed certain public incentives in order to (i) transform such incentives from 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**") has been 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 in Euro 6,000 mln and are distributed among various incentive programs by CIPE (Inter-Ministerial Committee for Economic Programming) that determines also, *inter alias*, 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%, their maximum duration being 30 years.

An interest rate on the amounts disbursed by CDP as Subsidised Loans is determined by decree from the MEF as interest rate 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 annually granted as Subsidised Loans as 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 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 duration, amount and conditions (including the security package, if necessary) of the bank loan and the CDP Subsidised Loan are the objects of a single evaluation entrusted to the Lender, which is therefore responsible for the evaluation of the credit worthiness 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 ultimate and residual resource, by a State guarantee provided by Decree of the MEF, issued in accordance with criteria, conditions and patterns established in the decree.

Currently the highest quota (58.3%) of the Revolving Fund for Enterprises’s resources is reserved to research and pre-competitive development sectors. Pursuant to article 30 of Law Decree 83/2012, as converted into law, the competent public authorities will carry out a survey of the unused resources of the Revolving Fund for Enterprises, 70% of which shall be reserved to the purposes of a fund constituted by the Ministry of Economic Development (the “**Fund for Sustainable Growth**”).

Furthermore, on 28 April 2009 law decree n. 39 as converted with modifications into law (“**Law Decree 39**”) has introduced some urgent provisions in favour of the populations of the Region Abruzzo affected by April 2009 earthquakes. Pursuant to article 3, paragraph 3 of Law Decree 39, the Article 5, Paragraph 7 Letter (a) Funds can be used for 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 resident 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 decrees of the MEF. The risk assumed by CDP in carrying out this kind of financing is a 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.



Moreover, to remedy the damage caused by the earthquake of May 2012, the Italian Government adopted two provisions in favour of the population of the Regions Emilia-Romagna, Lombardy and Veneto, which allowed the creation of two additional CDP's plafonds for a total amount of Euro 12 billion. The first one ("Plafond Moratoria Sisma 2012" of Euro 6 billion), introduced by article 11 of Law Decree 174/2012, as converted into law, and article 1 of Law Decree 194/2012, 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 (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" of additional Euro 6 billion), introduced by article 3-bis of Law Decree 95/2012, can 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 (maximum duration of 25 years) to the people resident and the enterprises operating in such affected areas for the reconstruction or repair of estates for residential use 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 terms and modalities established by decrees of the MEF. In particular, the decrees established that these public guarantees are on first demand, irrevocable and unconditional.

Finally, the Kyoto Fund, established by article 1, paragraphs from 1110 to 1115 of Law 296/2006, is an instrument for an amount of up to Euro 600 million of public resources, for granting subsidised loans in order to reduce emissions responsible for the greenhouse effect and energy efficiency. Such law has entrusted 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 3 to 6 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 is active as of March 2012.

The purposes of the Kyoto Fund have been redefined by article 57 of Law Decree 83/2012. The new purposes will be adopted in the future cycles of the fund. In particular, funds 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.

### ***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 of 31 December 2012 and the book value reported in the separate financial statements at the same date:

## SEPARATE ACCOUNT SYSTEM

(thousands of euro)

	31/12/2012			
	Percentage of shareholding	Principal activity	Commitment	Book Value
<b>A. Equity Investments</b>				
<i>a. Listed companies</i>				
1. Eni S.p.A.	25.76%	Energy		15,281,632
2. Terna S.p.A.	29.85%	Energy		1,315,200
<i>b. Unlisted companies</i>				
3. CDP RETI S.r.l.	100.00%	Energy		3,517,360
4. Sace S.p.A.	100.00%	Infrastructure/Industry		6,050,000
5. Fintecna S.p.A.	100.00%	Infrastructure/Industry		2,500,000
6. Simest S.p.A.	76.00%	Infrastructure/Industry		232,500
7. Sinloc S.p.A.	11.29%	Banking/Financial/SGR		5,983
8. Istituto per il Credito Sportivo (*)	21.62%	Banking/Financial/SGR		2,066
9. Europrogetti & Finanza S.p.A. in liquidazione	31.80%	Banking/Financial/SGR		-
<b>B. Investments funds</b>				
1. Fondo Strategico Italiano S.p.A.	90.00%	Infrastructure/Industry	900,000	900,000
2. Inframed Infrastructure société par actions simplifiée à capital variable (Fondo Inframed)	38.93%	Infrastructure/Industry	150,000	51,573
3. 2020 European Fund for Energy, Climate Change and Infrastructure SICAV-FIS Sa (Fondo Marguerite)	14.08%	Infrastructure/Industry	100,000	18,590
4. European Energy Efficiency Fund SA, SICAV-SIF (Fondo EEEF)		Energy		
- Quote A	5.95%		51,913	210
- Quote C	4.53%		7,987	80
5. Fondo Investimenti per l'Abitare	49.31%	Real Estate	1,000,000	34,993
6. Fondo Investimenti per la Valorizzazione - Plus	100.00%	Real Estate	250,000	31
7. Fondo Italiano d'Investimenti	20.83%	SMEs	250,000	52,166

\* 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% of the total fund.

During 2012, CDP's portfolio under the Separate Account System changed as a consequence of the following transactions:

- ✓ the purchase from ENI through the special-purpose vehicle CDP RETI s.r.l. (wholly owned by CDP) of 30% less one share of the voting capital of SNAM for approx. Euro 3.517 billion. CDP has the option to pay such amount in three instalments. At 31 December 2012, two of these had already been paid, on 15 October 2012 (approx. Euro 1,759 million) and on 31 December 2012 (approx. Euro 879 million), respectively. As a result of the purchase of additional shares on the market, CDP RETI's holding in SNAM at 31 December 2012 amounted to 1,014,491,489 shares, equal to 30.0258% of the voting share capital and 30.00000002% of the issued share capital of SNAM. SNAM is the European leader in the management of gas infrastructure and among the top operators in terms of its regulatory asset base. The group, operating through four of its companies, is involved in the transport, regasification, storage and distribution of natural gas;
- ✓ the purchase of 100% of SACE for Euro 6.05 billion;
- ✓ the purchase for Euro 232.5 million of 76% Simest;
- ✓ the purchase of 100% of Fintecna S.p.A. for Euro 2.5 billion;
- ✓ the payment of Euro 360 million in respect of the unpaid portion of the capital subscribed in Fondo Strategico Italiano ("FSI") in view of the development of investment activities;
- ✓ draw-downs called by the following funds: Fondo Italiano d'Investimento, Fondo Investimenti per l'Abitare, Inframed, Marguerite, FIV Plus, in relation to their own investment activities;

- ✓ the sale on the market of 120,000,000 ordinary shares of ENI, equal to 3.3% of the company's share capital, for more than Euro 2.106 billion. Following the sale, CDP's stake in ENI fell to 25.76%.

For a detailed description of the equity investments and the investments funds of CDP, please see sections 3.1.3.1 and 3.1.3.2 of CDP's audited separate financial statements as of 31 December 2012 as incorporated by reference into this Base Prospectus.

### ***Covered Bonds Programme***

Pursuant to paragraph 18 of Article 5, CDP may issue securities backed by previously segregated assets, rights and legal relationships.

In 2005, CDP, in accordance with such provision and the provisions set forth in its by-laws, has segregated certain assets, rights and legal relationship falling under the Separate Account System and has established a programme for the issuance of covered bonds backed by such segregated assets, for the purpose of raising funds to be utilized by CDP in its financing activities carried out under letter a) of paragraph 7 of Article 5.

On 3 November 2011 CDP's Covered Bond Programme has been voluntarily terminated in accordance with its conditions. The termination of the Programme has involved the substitution of the segregated assets with a cash deposit on an account segregated in favour of the holders of the Covered Bonds as a guarantee for the obligations of CDP, in respect of principal and interest. As a consequence of the termination, no further Covered Bonds can be issued under the Programme.

As of today, all the five Series previously issued under the Programme have been fully redeemed. In particular, on 19 March 2012 CDP bought back the Covered Bond due 31 January 2017 and on 31 January 2013 the last outstanding series was duly redeemed by CDP on the due date. As a consequence of such last redemption, there are no other outstanding Covered Bond issued by CDP under the Programme and all the Covered Bondholders have been fully satisfied.

### ***CDP ACTIVITIES UNDER THE ORDINARY ACCOUNT SYSTEM***

#### ***The lending activity under the ordinary account system***

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 intended to supply public services (energy, power, transportation, water, waste, etc.), through funds to be raised from institutional investors only by means of issues of notes, borrowings and other financial transactions, without the guarantee of the Republic of Italy, with the exclusion of demand deposits.

Under the ordinary account system, CDP sets out terms and conditions of each financing without specific restrictions, acting like any other financial intermediary aiming to achieve an appropriate return and financing, at market terms, investments having public service purposes, satisfying its shareholders' requirements in terms of, among others, target remuneration of capital. In taking credit commitments, CDP considers the credit standing of each potential borrower, its financial solidity, 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 consider, in principle, to commit in favour of a specific project using funds falling under the ordinary account system and Article 5, Paragraph 7 Letter (a) Funds at the same time.

During 2012, new loans granted were Euro 1,269 million, while disbursements came to Euro 1,237 million (gross of repayments). As of 31 December 2012 the stock of loans granted within the ordinary account system was Euro 6,644 million, of which Euro 5,485 million were disbursed (net of repayments).

### ***European Investment Bank Loans***

In addition to the issue of Notes under the Programme, the funding necessary to CDP for carrying out the activities falling under the ordinary account system is raised by CDP by entering into loans with the European Investment Bank.

During 2012, CDP has requested and obtained new disbursements on credit facilities granted by the European Investment Bank for an aggregate amount of Euro 792 million.

### ***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 of 31 December 2012 and the book value reported in the separate financial statements at the same date:

<b>ORDINARY ACCOUNT SYSTEM</b>		<i>(thousands of euro)</i>		
		<b>31/12/2012</b>		
	<b>Percentage of shareholding</b>	<b>Principal activity</b>	<b>Commitment</b>	<b>Book Value</b>
<b>A. Equity Investments</b>				
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		2,137
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		774
<b>B. Investments funds</b>				
1. Fondo PPP Italia	14.58%	Infrastructure/Industry	17,500	6,828
2. Fondo Immobiliare di Lombardia - Comparto Uno	9.39%	Real Estate	20,000	7,789
3. F2i - Fondo Italiano per le Infrastrutture		Infrastructure/Industry		
- Quote A	8.10%		150,000	100,179
- Quote C	0.04%		824	550
4. F2i - Secondo Fondo Italiano per le Infrastrutture	17.39%	Infrastructure/Industry	100,000	17,869

In 2012 the portfolio under the Ordinary Account System has changed mainly due to the following events:

- ✓ the subscription of the Class-A units in F2i – Secondo Fondo Italiano per le Infrastrutture in the amount of Euro 100 million. During the year, CDP paid in a total of Euro 18.3 million on this commitment;
- ✓ the subscription of units in Fondo Investimenti per la Valorizzazione – Plus (FIV Plus) in the amount of Euro 250 million. During the year, CDP paid in a total of Euro 100 thousand;
- ✓ the repayment of Euro 65 million of equity reserves by CDP GAS, made possible by the receipt of the 2012 dividend from the subsidiary TAG;
- ✓ draw-downs called by the following funds: F2i, F2i II and PPP Italia, in relation to their own investment activities;

the distribution of Euro 9.3 million by Galaxy, which is currently divesting its holdings. For a detailed description of the equity investments and the investments funds of CDP, please see sections 3.1.3.1 and 3.1.3.2 of CDP's audited separate financial statements as of 31 December 2012 as incorporated by reference into this Base Prospectus.

### **CDP SHARE CAPITAL AND SHARE OWNERSHIP**

The Issuer's authorised and fully paid in share capital as of 17 April 2013 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 of 17 April 2013, the MEF owns 80.103% of the share capital of CDP and the 18.396% is owned by 64 banking trusts (*fondazioni bancarie*). The remaining 1.501% was reimbursed through acquisition by CDP after two banking trusts have exercised the withdrawal right related to the conversion of preferred shares.

Regarding the conversion of preferred shares into ordinary shares, following are the main steps of the process:

- *CDP extraordinary shareholders' meeting held on 12 December 2012* approved the modification of Article 7, Paragraph 10, of the by-laws, with the aim of redefining the dates related to the conversion of preferred shares into ordinary shares. Specifically, CDP approved that preferred shares would automatically convert into ordinary shares starting on 1 April 2013, while the right of one-to-one conversion and the right of withdrawal, defined in the articles of association for holders of preferred shares, would be able to be exercised from 15 February until 15 March 2013.

- *CDP extraordinary shareholders' meeting held on 19 December 2012* approved a further modification of Article 7, Paragraph 10, of the by-laws, as provided for by Article 36, paragraph 3 bis – 3 decies, of Law Decree 18 October 2012, n. 179, converted into law with modifications by Law 17 December 2012, n. 221, with regards to the conditions and terms for the conversion of CDP preferred shares into ordinary shares. There were also approved some modifications regarding company governance. In particular, the percentage of stake ownership necessary for the presentation of lists of candidates for the position of director and statutory auditor is reduced from 15% to 10%. A provision has been introduced allowing for the Managing Director to be drawn

from the majority list, while the chairman of the board of directors is drawn from the list with the second-largest number of votes.

- *CDP board of directors' meeting held on 29 January 2013* set the conversion ratio of preferred shares into ordinary shares, in view of the automatic conversion starting from 1 April 2013, as established by law and the by-laws. The conversion ratio was set at 49 ordinary shares for every 100 preferred shares, corresponding to a per-share conversion ratio of 0.49 ordinary shares for every preferred share. In the period between 15 February and 15 March 2013, preferred shareholders could exercise the right to benefit from a one-to-one conversion ratio, in order to preserve their share stake, paying CDP an adjustment amount of around 32.74 euros for every preferred share to be converted into ordinary share. The board of directors determined the redemption value of preferred shares. For each preferred share for which is exercised the right of withdrawal, the redemption value, as stipulated by the by-laws, is equal to 6.299 euros. The determination of the redemption value was applied at the request of withdrawal received - in the period of 1 October – 15 December 2012 – by two shareholders of CDP, collectively holding a total of 9,084,000 preferred shares (equal to 2.60% of the company's share capital), and at the eventual requests that can be made during the withdrawal period as set by the applicable by-laws (15 February – 15 March 2013).

- *CDP ordinary shareholders' meeting held on 20 March 2013* announced that, at the end of the second period for the exercise of the withdrawal right and of the right to benefit from a one-to-one conversion ratio – provided for by the by-laws in connection with the automatic conversion of preferred shares into ordinary shares starting from 1 April 2013 – none of the banking trusts that are shareholders of CDP has exercised the aforementioned rights. It was then confirmed that only two banking trusts, shareholders of CDP – collectively holding a total of No. 9,084,000 preferred shares, equal to 2.60% of the company's share capital – have exercised, in the first withdrawal period stipulated by the previously in force by-laws (1 October – 15 December 2012), the withdrawal right related to the conversion of preferred shares. The shares of the banking trusts which have exercised the withdrawal right were reimbursed through acquisition by CDP, by using the distributable reserves as resultant from the draft of the annual report as at 31 December 2012.

- *CDP's ordinary shareholders' meeting, held on 20 March 2013*, authorized the acquisition by CDP of No. 9.084.000 of its preferred shares, at the price of €6.299 per share (corresponding to the redemption value determined by the Board of Directors on the meeting of 29 January 2013), for a total amount of €57,220,116.

- Finally, *CDP's extraordinary shareholders' meeting, held on 27 March 2013*, approved the following amendments to the by-laws:

- the company's share capital, which, following the conversion, still withstanding the amount of €3,500,000,000, were divided into No. 296,450,000 ordinary shares;

- the removal of the shares' nominal value;

- the suppression of the by-laws's provisions which refer to preferred shares and regulate the relating rights;

- the reorganization of the Committees provided by the by-laws (suppression of the Steering Committee and change of name of the preferred shareholders' support Committee into Minority Shareholders' Committee and consequent adjustment of the method of appointment of its members).

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. If the Republic of Italy ceases to own the majority of the shares with voting rights as a result of a decrease in the ordinary share capital due to losses, the voting rights attached to the preferred shares are suspended pro rata in ordinary and extraordinary shareholders' meetings to the extent necessary to ensure that the Republic of Italy maintains its majority proportion of voting rights.

No shareholder of CDP, other than the MEF, may hold, directly or indirectly, more than 5% of the share capital. The voting rights in respect of share capital participation 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 of 17 April 2013:

<b>Shareholders</b>	<b>Share Capital</b>
Ministero dell'Economia e delle Finanze	80.103%
Compagnia di San Paolo	1.759%
Fondazione CR Torino	1.733%
Fondazione CR Province Lombarde	1.838%
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%

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%
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 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%
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 who are elected for periods of no more than three financial years. They may be re-elected. Pursuant to the extraordinary shareholders' meeting of 6 November 2008, CDP's by-laws have been amended in order to introduce the role of the Managing Director.

As of 17 April 2013, the members of the Board of Directors are:

- Franco Bassanini (Chairman)
- Maria Cannata
- Olga Cuccurullo
- Francesco Parlato
- Antimo Prospero
- Giovanni Gorno Tempini  
(Managing Director)
- Mario Nuzzo
- Alessandro Rivera
- Marco Giovannini

Pursuant to paragraph 10 of Article 5 and CDP's by-laws, the Board of Directors for matters relating to the Separate Account System (as described above) 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 of 17 April 2013 the Board of Directors is integrated by the following Additional Directors:

- Giovanni De Simone (Additional Director on behalf of the General Accountant of the Republic of Italy)
- Vincenzo La Via (the General Manager of the MEF)

In addition to the position held at CDP, the Directors listed below carry out, as of 17 April 2013, the activities outside CDP specified below:

- 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

- Chairman of the Investor Board of the InfraMed Infrastructure Fund
  - President of the Supervisory Board of Società Italiana Condotte per l’Acqua SpA
  - Chairman of Metroweb Italia SpA
  - Member of the Board of Metroweb SPA
  - Chairman of Fondo Strategico Italiano S.p.A
  - Administrator at CDP Reti S.r.l.
  - General Director of the Public Debt Department at the MEF
  - Board Member of the “Scuola Archeologica Italiana di Atene”
  - Board Member IPZS S.P.A.
  - Board Member Fondazione Centro Sperimentale di Cinematografia
  - Member of the Board of Directors of Finmeccanica S.p.A. since 12 September 2007
  - 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 *Ferrovie dello Stato Italiane S.p.A.*, appointed by the Ministry of Economy and Finance
  - Member of the Board of Directors of *Istituto Poligrafico e Zecca dello Stato*
- Giovanni Gorno Tempini
  - Maria Cannata
  - Olga Cuccurullo
  - Francesco Parlato
  - Antimo Prospero

*(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 (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 SrL
  - Member of the BoD of Goglio SpA
  - Member of the BoD of Mperience SrL
  - Member of the BoD of SWAN SrL
  - 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 Lts
- 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 SrL
- Member of the BoD – Beijing Guala Closures Ltd
- Member of the BoD – GCL Holdings SCA
- Giovanni De Simone
- Director of ENPAM
- Statutory Auditor of Federazione

Nazionale Rugby

- Vincenzo La Via
- Director General of *Ministero dell'Economia e delle Finanze*

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.

As mentioned before, CDP extraordinary shareholders' meeting held on 19 December 2012 approved some modifications regarding company governance. Directors are elected by a voting list system under which any group of shareholders representing at least 10% (instead of 15%) of the voting shares may submit a list of directors for nomination. A provision was also introduced allowing for the Managing Director to be drawn from the majority list, while the chairman of the board of directors is drawn 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 a 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, among others, are 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.

Regarding the governance relating to company officers, CDP's ordinary shareholders' meeting, held on 12 September 2012, has approved some amendments to the by-laws intended to ensure the consistency of CDP's by-laws with the provisions of the Prime Minister's Order of 25 May 2012, which, in setting out the procedures for the disposal of Eni's holding in Snam and designating CDP as the most appropriate entity to ensure a stable core of shareholders for Snam, specifies 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 SpA, applying – in general – to the management of the equity investments held by CDP in subsidiaries that operate key national energy infrastructure.

More specifically, the approved amendments regard the following areas:

- the policy-setting powers exercised by the MEF over the Separate Account System of CDP (Article 5, paragraphs 9 and 11): such powers may not be exercised in respect of the management of the equity investments held by CDP in subsidiaries that operate key national energy infrastructure and in their parent companies;
- the management of the aforesaid equity investments: the Additional Directors may not exercise any influence in this area;
- company officers: in order to ensure the independence between Eni and Snam, the directors, statutory auditors, the General Manager and the manager responsible for preparing the corporate financial reports of CDP may not hold any position in the administrative and control bodies or executive functions of Eni and its subsidiaries, nor may they maintain any professional or financial relationship with those companies.

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

In addition to the position held at CDP, the General Manager carries out, as of 17 April 2013, 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.
  - Member of the Board of Directors of SINLOC S.p.A.
  - Member of the Supervisory Board of the European Energy Efficiency Fund (EEEF)

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 is comprised of five auditors and two alternate auditors. The auditors are appointed by the shareholders' meeting for terms of three years and may be re-elected.

As of 17 April 2013, the members of the Board of Statutory Auditors were:

- Angelo Provasoli (Chairman)
- Piergiuseppe Dolcini (Statutory Auditor)
- Ines Russo (Statutory Auditor)
- Gerhard Brandstätter (Statutory Auditor)
- Giuseppe Suppa (Statutory Auditor)
- Andrea Landi (Alternate Auditor)
- Angela Salvini (Alternate Auditor)

In addition to the position held at CDP, the Auditors listed below carry out the activities specified below outside CDP as of 17 April 2013:

- 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 SpA
- 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 Digit PA
- Piergiuseppe Dolcini
  - Member of the Board of Directors Hera SpA Bologna
  - Member of the Board of Directors Sinloc SpA Padova
  - Member of the Board of Directors Alma Mater – Università degli Studi di Bologna



- Gerhard Brandstätter
  - Member of the Supervisory Board of Intesa SanPaolo SpA
  - Chairman of the Board of Statutory Auditors of Torggler S.p.A.
  - Chairman of the Board of Statutory Auditors of Konsortium Trade Center Bolzano.
  - Chairman of the Board of Statutory Auditors of Plunger Luigi & Figlio S.p.A.
  - Chairman of the Board of Statutory Auditors of Pibiviesse S.p.A.
  - Chairman of the Board of Directors of Fondazione della Cassa di Risparmio di Bolzano
  - Chairman of the Board of Statutory Auditors of Fri-el A.G. Bolzano
  - Chairman of the Board of Statutory Auditors of Areale Bolzano ABZ S.p.A.
  - Statutory Auditor of Durst Phototechnick S.p.A.
  - Statutory Auditor of Schweitzer Project S.p.A.
  - Statutory Auditor of Tecnicon S.r.l.
  - Statutory Auditor of Alupress S.p.A.
  - Statutory Auditor of Neuer Südtiroler Wirtschaftsverlag S.r.l.
  - Statutory Auditor of Umdasch Amonn Shop Concept S.r.l.
  - Statutory Auditor of Unione Commercio e Turismo Servizi
  - Statutory Auditor of T.I.S. Techno Innovation Südtirol K.A.G.

- Statutory Auditor of Ente Bilaterale
  - Statutory Auditor of Comac S.p.A.
  - Statutory Auditor of Hydros S.r.l.
  - Chairman of the Board of Statutory Auditors of Haka S.p.A.
  - Statutory Auditor of Hotel Terme Merano
  - Statutory Auditor of ISTAT
  - Chairman of the Board of Statutory Auditors of ITALFERR SpA (Gruppo Ferrovie dello Stato)
  - Chairman of the Board of Statutory Auditors of SIMEST SpA
  - President of Fondazione Cassa di Risparmio of 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
  - Director of the University Master course "International Business Studies" promoted by the School of Corporate Management, CIS of 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
- Ines Russo
- Andrea Landi

transfer)

- Member of the following associations and research centres:
  - European Association of University Teachers in Banking and Finance
  - CEFIN (Center 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
- Angela Salvini
- Board of Auditors – Federazione Italiana Canottaggio
- Chairman of the Board of Statutory Auditors Aeroporto Valerio Catullo SpA
- Standing Auditor RaiNet SpA
- 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
- Gerhard Brandstätter
- Piergiuseppe Dolcini
- Ines Russo
- Giuseppe Suppa
- Via Alberto da Giussano 17, 20145 Milan, Italy
- Via Beato Arrigo 28, 39100 Bolzano, Italy
- Via Edo Bertaccini 23, 47034 Forlì, Italy
- Via Pietro Marchisio 239, 00173 Rome, Italy
- Via Cesare Massini 61, 00155 Rome, Italy

- Andrea Landi
- Strada Albareto 212, 41122 Modena, 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's 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***

The shareholders' meeting, upon the proposal of the Board of Directors and having consulted with the Board of Statutory Auditors, has appointed independent auditors for the 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***

As mentioned before, 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 change of name of the preferred shareholders' Committee into "Minority shareholders' Committee" and consequent adjustment of the method of appointment of its members. The "Minority Shareholders' Committee" is composed of nine members appointed by the minority Shareholders. The Committee is appointed by the same quorum provided for the Ordinary Shareholders' meeting. It expires on the same day of the Shareholders' meeting called for the Board of Directors appointment. 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. Moreover, 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 confidentiality duty with respect to the information on business activity provided by CDP.

As of 17 April 2013, the members of the Committee of Minority Shareholders were as follows:

- Matteo Melley
- Antonello Arru
- Piero Gastaldo
- Renato Gordini
- Pierfranco Giovanni Risoli
- Ivano Paci
- Marcello Bertocchini
- Roberto Saro
- Enrico Zobebe

#### ***Steering Committee***

As mentioned before, 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 suppression of this Committee.

#### ***Supervisory Board***

Currently, 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, have not been appointed yet.

#### ***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 of CDP (See "*Internal Controls*" below).

As of 17 April 2013, 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*

CDP has developed an internal control system consisting of a set of rules, procedures, and organizational 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 operations 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.

Furthermore, following Decree 231/2007 and the measures issued by the Bank of Italy, the 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 Auditing 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 analyze 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 Auditing unit advises other CDP units on improving internal audit activities and assists the manager responsible for preparing the company financial reports (according

with Law 262/2005) and the supervisory board established pursuant to Decree 231 in carrying out their work.

## **EMPLOYEES**

As of 4 April 2013, CDP had 524 employees.

## **ORGANIZATIONAL STRUCTURE**

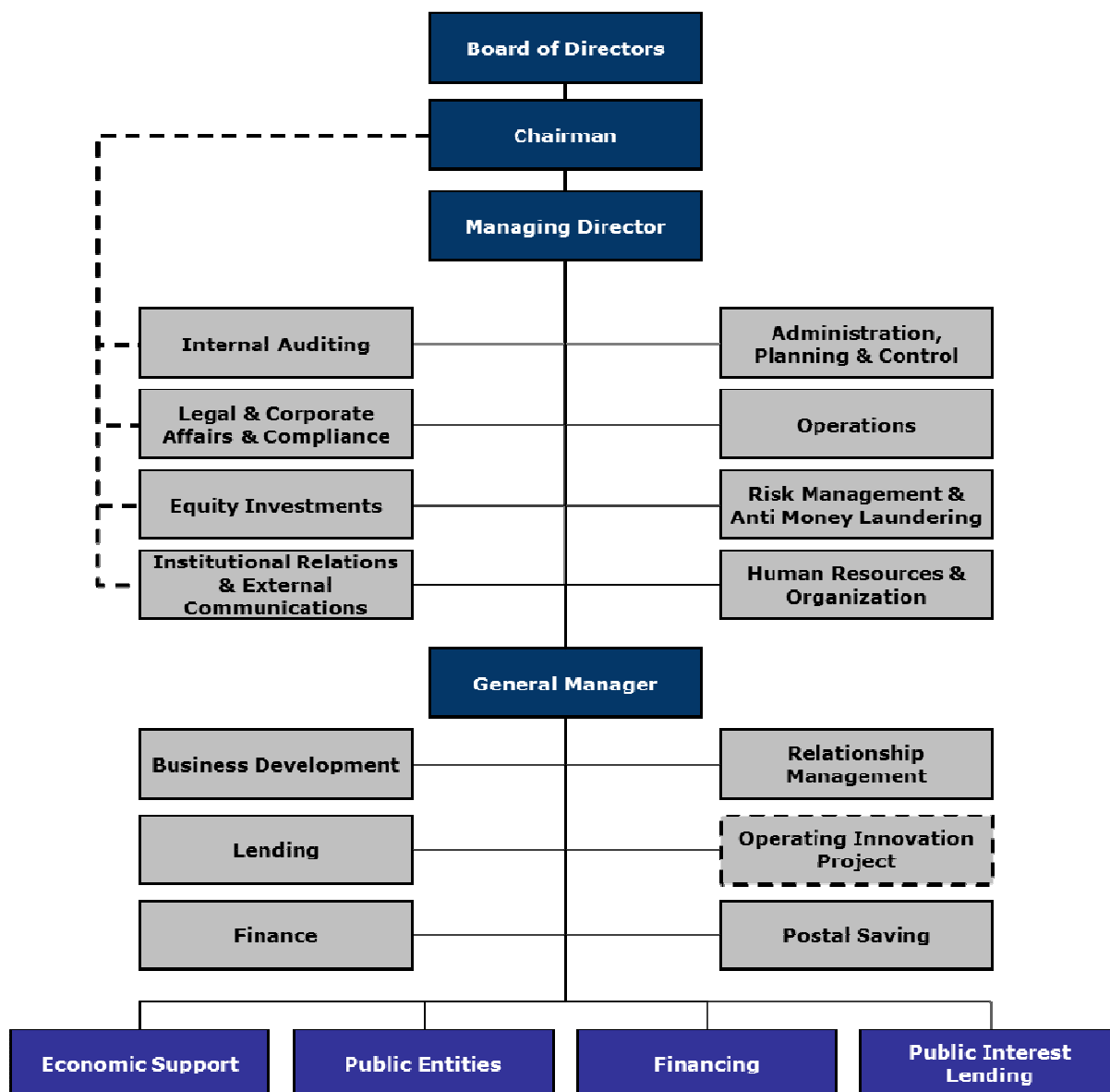
CDP's organisational structure is currently structured as follows:

The following areas report to the Managing Director: Administration, Planning & Control; Human Resources & Organisation; Risk Management & Anti Money Laundering; Operations.

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

Finally, the General Manager reports to the Managing Director and is in charge of managing the following business areas: Public Entities; Economic Support; Public Interest Lending; Financing. The following business support areas also report to the General Manager: Lending; Finance; Business Development; Relationship Management; Operating Innovation Project; Postal Saving.

Accordingly, the company's organisation chart as at 5 April 2013 is as follows:



## TREND INFORMATION

Save as disclosed in this Base Prospectus in section "Recent Events" below, since 31 December 2012, there has been no material adverse change in the prospects of the Issuer that can affect its financial position.

## POST-ISSUANCE INFORMATION

Unless otherwise required by any applicable laws or regulations, the Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities. The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

## 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**

On 13 March 2013 Fitch Ratings has lowered the long-term rating of CDP from A- to BBB+, with negative outlook.

Fitch Ratings 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>.

## **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 separate audited financial statements of CDP as at 31 December 2011 and 31 December 2012. 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.

## BALANCE SHEET

	<i>(in euros)</i>	
	31/12/2012	31/12/2011
<b>ASSETS</b>		
10. Cash and cash equivalents	4,061	2,237
20. Financial assets held for trading	640,480,778	581,080,782
40. Financial assets available for sale	4,975,191,408	2,714,382,743
<i>of which securing covered bonds</i>	-	200,479,303
50. Financial assets held to maturity	16,730,803,183	9,289,252,925
60. Loans to banks	13,178,302,664	19,404,824,607
<i>of which securing covered bonds</i>	575,161,865	5,138,958,155
70. Loans to customers	238,305,758,261	220,537,662,851
<i>of which securing covered bonds</i>	2,102,395,438	-
80. Hedging derivatives	371,592,827	359,793,786
100. Equity investments	30,267,806,038	19,641,548,187
110. Property, plant and equipment	206,844,583	199,727,962
120. Intangible assets	7,142,943	4,574,652
130. Tax assets	508,263,385	617,523,230
a) current	359,110,010	399,759,826
b) deferred	149,153,375	217,763,404
150. Other assets	239,289,471	235,665,166
<b>TOTAL ASSETS</b>	<b>305,431,479,602</b>	<b>273,586,039,128</b>
<b>LIABILITIES AND EQUITY</b>		
10. Due to banks	34,055,028,612	19,415,892,384
20. Due to customers	242,303,149,301	227,042,396,990
30. Securities issued	6,672,411,389	8,512,364,699
<i>of which covered bonds</i>	2,639,474,757	5,307,748,156
40. Financial liabilities held for trading	477,087,678	471,815,234
60. Hedging derivatives	2,575,862,638	2,621,250,529
70. Adjustment of financial liabilities hedged generically (+/-)	56,412,601	60,440,182
80. Tax liabilities	915,731,204	443,585,327
a) current	818,196,453	356,236,426
b) deferred	97,534,751	87,348,901
100. Other liabilities	1,527,970,453	538,517,108
110. Staff severance pay	750,996	732,560
120. Provisions	11,789,925	9,681,415
b) other provisions	11,789,925	9,681,415
130. Valuation reserves	965,418,317	1,081,113,568
160. Reserves	9,517,249,132	8,276,343,556
180. Share capital	3,500,000,000	3,500,000,000
200. Net income for the period (+/-)	2,852,617,356	1,611,905,576
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>305,431,479,602</b>	<b>273,586,039,128</b>

## INCOME STATEMENT

	<i>(in euros)</i>	
	31/12/2012	31/12/2011
10. Interest income and similar revenues	10,590,682,908	7,737,829,670
20. Interest expense and similar charges	(7,068,867,902)	(5,408,988,524)
30. NET INTEREST INCOME	3,521,815,006	2,328,841,146
40. Commission income	38,348,222	15,704,980
50. Commission expense	(1,650,123,072)	(1,504,737,356)
60. NET COMMISSION INCOME	(1,611,774,850)	(1,489,032,376)
70. Dividends and similar revenues	1,206,749,144	1,229,134,522
80. Net gain (loss) on trading activities	156,407,006	(17,238,205)
90. Net gain (loss) on hedging activities	(10,120,204)	(27,825,910)
100. Gains (losses) on disposal or repurchase of:	389,563,961	6,425,648
a) loans	19,469,378	6,074,385
b) financial assets available for sale	366,189,473	345,580
c) financial assets held to maturity	145,310	5,683
d) financial liabilities	3,759,800	-
120. GROSS INCOME	3,652,640,063	2,030,304,825
130. Net impairment adjustments of:	(22,884,956)	(10,188,369)
a) loans	(22,097,331)	(7,565,679)
d) other financial transactions	(787,625)	(2,622,690)
140. FINANCIAL INCOME (EXPENSE), NET	3,629,755,107	2,020,116,456
150. Administrative expenses:	(103,285,487)	(85,168,357)
a) staff costs	(54,205,757)	(50,780,722)
b) other administrative expenses	(49,079,730)	(34,387,635)
160. Net provisions	(2,058,191)	(350,298)
170. Net adjustments of property, plant and equipment	(5,225,787)	(5,677,509)
180. Net adjustments of intangible assets	(2,464,066)	(2,210,473)
190. Other operating income (costs)	3,504,759	3,730,374
200. OPERATING COSTS	(109,528,772)	(89,676,263)
210. Gains (losses) on equity investments	147,334,875	(13,861,048)
240. Gains (losses) on disposal of investments	(107,901)	-
250. INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	3,667,453,309	1,916,579,145
260. Income tax for the period on continuing operations	(814,835,953)	(304,673,569)
270. INCOME (LOSS) AFTER TAX ON CONTINUING OPERATIONS	2,852,617,356	1,611,905,576
290. INCOME (LOSS) FOR THE PERIOD	2,852,617,356	1,611,905,576

## CASH FLOW STATEMENT

(in euros)

	31/12/2012	31/12/2011
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>(1,268,664,051)</b>	<b>4,407,689,471</b>
- net income for the year (+/-)	2,852,617,356	1,611,905,576
- gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value (-/+)	(137,571,535)	8,996,389
- gains (losses) on hedging activities (-/+)	(200,183,695)	(189,561,628)
- net impairment adjustments (+/-)	22,884,956	10,188,369
- net value adjustments to property, plant and equipment and intangible assets (+/-)	7,689,853	7,887,982
- net provisions and other costs/revenues (+/-)	7,428,900	7,050,418
- unpaid taxes and duties (+)	814,835,953	304,673,569
- writedowns/writebacks of equity investments (+/-)	-	13,861,048
- other adjustments (+/-)	(4,636,365,839)	2,632,687,748
<b>2. Cash generated by/used in financial assets</b>	<b>(1,358,378,980)</b>	<b>(14,525,818,442)</b>
- financial assets held for trading	78,171,539	266,360,752
- financial assets at fair value	-	-
- financial assets available for sale	(2,030,319,043)	(669,973,585)
- loans to banks: on demand	-	-
- loans to banks: other	6,948,868,710	(10,121,091,617)
- loans to customers	(6,374,480,471)	(4,060,860,800)
- other assets	19,380,285	59,746,809
<b>3. Cash generated by/used in financial liabilities</b>	<b>34,558,471,140</b>	<b>18,405,402,883</b>
- due to banks: on demand	-	-
- due to banks: other	14,456,286,818	11,561,064,716
- due to customers	20,235,839,912	7,427,749,672
- securities issued	(1,720,450,110)	795,615,500
- financial liabilities held for trading	5,272,444	(468,218,474)
- financial liabilities at fair value	-	-
- other liabilities	1,581,522,076	(910,808,531)
<b>CASH GENERATED BY/USED IN OPERATING ACTIVITIES</b>	<b>31,931,428,109</b>	<b>8,287,273,912</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash generated by</b>	<b>24,715,175,635</b>	<b>259,988,457</b>
- sale of equity investments	2,034,309,999	-
- sale of financial instruments held to maturity	22,680,756,000	259,988,457
- sale of property, plant and equipment	109,636	-
<b>2. Cash used in</b>	<b>(42,581,105,251)</b>	<b>(7,589,857,643)</b>
- purchase of equity investments	(12,660,567,850)	(1,072,800,000)
- purchase of financial assets held to maturity	(29,903,053,001)	(6,509,653,862)
- purchase of property, plant and equipment	(12,452,043)	(5,592,908)
- purchase of intangible assets	(5,032,357)	(1,810,872)
<b>CASH GENERATED BY/USED IN INVESTING ACTIVITIES</b>	<b>(17,865,929,616)</b>	<b>(7,329,869,186)</b>
<b>C. FINANCING ACTIVITIES</b>		
- dividend distribution and other allocations	(371,000,000)	(700,000,000)
Cash generated by/used in financing activities	(371,000,000)	(700,000,000)
<b>CASH GENERATED/USED DURING THE YEAR</b>	<b>13,694,498,493</b>	<b>257,404,726</b>
<b>RECONCILIATION</b>		
Cash and cash equivalents at beginning of year	124,035,182,663	123,777,777,937
Total cash generated/used during the year	13,694,498,493	257,404,726
Cash and cash equivalents: effects of changes in exchange rates	-	-
Cash and cash equivalents at end of year	137,729,681,156	124,035,182,663

## **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 2011 and 31 December 2012. 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.

**BALANCE SHEET**

	<i>(thousands of euros)</i>	
	31/12/2012	31/12/2011
<b>ASSETS</b>		
10. Cash and cash equivalents	350	701
20. Financial assets held for trading	4,656,129	581,081
40. Financial assets available for sale	5,287,839	2,715,044
<i>of which securing covered bonds</i>	-	200,479
50. Financial assets held to maturity	19,215,105	9,289,691
60. Loans to banks	18,502,789	20,681,933
<i>of which securing covered bonds</i>	575,162	5,138,958
70. Loans to customers	240,752,149	220,035,532
<i>of which securing covered bonds</i>	2,102,395	-
80. Hedging derivatives	1,190,984	931,313
100. Equity investments	20,770,242	18,774,671
110. Reinsurers' share of technical provisions	106,305	
120. Property, plant and equipment	12,157,413	10,771,247
130. Intangible assets	823,833	771,196
of which:		
- goodwill	485,897	485,897
140. Tax assets	1,019,669	633,613
a) current	590,833	415,582
b) deferred	428,836	218,031
160. Other assets	4,068,477	1,957,136
<b>TOTAL ASSETS</b>	<b>328,551,284</b>	<b>287,143,158</b>
<b>LIABILITIES AND EQUITY</b>		
10. Due to banks	36,450,013	21,420,820
20. Due to customers	241,672,774	226,440,121
30. Securities issued	13,218,183	12,886,745
<i>of which covered bonds</i>	2,639,475	5,307,748
40. Financial liabilities held for trading	522,596	498,355
60. Hedging derivatives	2,699,921	2,712,621
70. Adjustment of financial liabilities hedged generically (+/-)	56,413	60,440
80. Tax liabilities	2,323,410	1,625,477
a) current	1,130,156	495,146
b) deferred	1,193,254	1,130,331
100. Other liabilities	6,111,219	2,825,384
110. Staff severance pay	153,289	65,231
120. Provisions	1,716,812	259,030
a) post-employment benefits	1,992	-
b) other provisions	1,714,820	259,030
130. Technical provisions	2,569,657	-
140. Valuation reserves	312,810	292,111
170. Reserves	11,440,320	9,559,258
180. Share premium reserve	5,988	5,988
190. Share capital	3,500,000	3,500,000
210. Non-controlling interests (+/-)	2,873,962	2,824,163
220. Net income (loss) for the year (+/-)	2,923,917	2,167,414
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>328,551,284</b>	<b>287,143,158</b>

INCOME STATEMENT

(thousands of euros)

	31/12/2012	31/12/2011
10. Interest income and similar revenues	10,661,134	7,764,322
20. Interest expense and similar charges	(7,212,610)	(5,550,742)
30. NET INTEREST INCOME	3,448,524	2,213,580
40. Commission income	48,411	23,448
50. Commission expense	(1,651,321)	(1,506,161)
60. NET COMMISSION INCOME	(1,602,910)	(1,482,713)
70. Dividends and similar revenues	401	2,862
80. Net gain (loss) on trading activities	143,951	(47,758)
90. Net gain (loss) on hedging activities	(7,969)	(27,469)
100. Gains (losses) on disposal or repurchase of:	29,499	6,426
a) loans	19,469	6,074
b) financial assets available for sale	6,125	346
c) financial assets held to maturity	145	6
d) financial liabilities	3,760	-
120. GROSS INCOME	2,011,496	664,928
130. Net impairment adjustments of:	(22,885)	(10,189)
a) loans	(22,097)	(7,566)
d) other financial transactions	(788)	(2,623)
140. FINANCIAL INCOME (EXPENSE), NET	1,988,611	654,739
180. Administrative expenses:	(523,673)	(488,167)
a) staff costs	(262,662)	(267,763)
b) other administrative expenses	(261,011)	(220,404)
190. Net provisions	(12,530)	(9,030)
200. Net adjustments of property, plant and equipment	(416,626)	(396,159)
210. Net adjustments of intangible assets	(56,879)	(53,035)
220. Other operating income (costs)	1,798,132	1,632,809
230. OPERATING COSTS	788,424	686,418
240. Gains (losses) on equity investments	1,627,959	1,711,002
270. Gains (losses) on disposal of investments	5,745	3,604
280. INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	4,410,739	3,055,763
290. Income tax for the period on continuing operations	(1,178,903)	(823,686)
300. INCOME (LOSS) AFTER TAX ON CONTINUING OPERATIONS	3,231,836	2,232,077
310. Income (loss) after tax on disposal groups held for sale	(23)	112,704
320. NET INCOME (LOSS) FOR THE YEAR	3,231,813	2,344,781
330. NET INCOME (LOSS) FOR THE YEAR PERTAINING TO NON-CONTROLLING INTERESTS	307,896	177,367
340. NET INCOME (LOSS) FOR THE YEAR PERTAINING TO SHAREHOLDERS OF THE PARENT COMPANY	2,923,917	2,167,414



<b>CASH FLOW STATEMENT</b>	<i>(thousands of euros)</i>	
	<b>31/12/2012</b>	<b>31/12/2011</b>
<b>A. OPERATING ACTIVITIES</b>		
<b>1. OPERATIONS</b>	<b>3,271,751</b>	<b>4,172,460</b>
- Net income for the year (+/-)	3,231,813	2,344,781
- Gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value (-/+)	(162,940)	34,356
- Gains (losses) on hedging activities (-/+)	7,969	(189,919)
- Net impairment adjustments (+/-)	22,885	10,188
- Net value adjustments to property, plant and equipment and - intangible assets (+/-)	473,505	449,195
- Net provisions and other costs/revenues (+/-)	12,530	89,931
- Unpaid taxes and duties (+)	(103,247)	434,673
- Writedowns/writebacks of equity investments (+/-)	(1,564,813)	(1,703,631)
- Other adjustments (+/-)	1,354,049	2,702,886
<b>2. CASH GENERATED BY/USED IN FINANCIAL ASSETS</b>	<b>(11,015,237)</b>	<b>(15,344,767)</b>
- Financial assets held for trading	(3,912,108)	266,361
- Financial assets available for sale	(1,457,703)	(670,074)
- Loans to banks: on demand	-	(1,124,702)
- Loans to banks: other	5,979,752	(10,121,092)
- Loans to customers	(7,821,578)	(3,556,636)
- Other assets	(3,803,600)	(138,624)
<b>3. CASH GENERATED BY/USED IN FINANCIAL LIABILITIES</b>	<b>38,596,185</b>	<b>19,309,603</b>
- Due to banks: other	14,888,842	11,513,843
- Due to customers	15,232,653	6,322,894
- Securities issued	53,933	2,371,295
- Financial liabilities held for trading	24,241	(468,218)
- Other liabilities	8,396,516	(430,211)
<b>CASH GENERATED BY/USED IN OPERATING ACTIVITIES</b>	<b>30,852,699</b>	<b>8,137,296</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. CASH GENERATED BY</b>	<b>25,989,851</b>	<b>1,377,280</b>
- Sale of equity investments	1,968,105	-
- Dividends from equity investments	1,290,364	1,100,272
- Sale of financial assets held to maturity	22,680,756	259,988
- Sale of property, plant and equipment	50,473	17,020
- Sale of intangible assets	153	-
<b>2. CASH USED IN</b>	<b>(38,274,467)</b>	<b>(8,316,963)</b>
- Purchase of equity investments	(3,884,059)	(570,344)
- Purchase of financial assets held to maturity	(32,386,816)	(6,510,089)
- Purchase of property, plant and equipment	(1,893,923)	(1,183,603)
- Purchase of intangible assets	(109,669)	(52,927)
<b>CASH GENERATED BY/USED IN INVESTING ACTIVITIES</b>	<b>(12,284,616)</b>	<b>(6,939,683)</b>
<b>C. FINANCING ACTIVITIES</b>		
- Issue/purchase of capital instruments	-	61,200
- Dividend distribution and other allocations	(653,129)	(996,100)
<b>CASH GENERATED BY/USED IN FINANCING ACTIVITIES</b>	<b>(653,129)</b>	<b>(934,900)</b>
<b>CASH GENERATED/USED DURING THE YEAR</b>	<b>17,914,954</b>	<b>262,713</b>
<b>RECONCILIATION</b>		
Cash and cash equivalents at beginning of year	124,043,263	123,780,550
Total cash generated/used during the year	17,914,954	262,713
Cash and cash equivalents at end of year	141,958,217	124,043,263

## 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.*

### 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 similari 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. 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 the *risparmio gestito* regime (the "**Asset Management Option**") 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.

- (a) 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 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 20 per cent. *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 Asset Management Option; Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity who have opted for the Asset Management Option 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). 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).

The above indicated regime should also apply to:

- (i) Italian resident collective investment funds. Income distributed by Italian resident collective investment funds may be subject to a 20 per cent. withholding tax (on account or final depending on the status of the recipient);
- (ii) Italian resident real estate investment funds (complying with the definition as amended pursuant to Law Decree n. 78 of 31 May 2010, converted into Law n. 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**

- (i) Where the Noteholder is a non-Italian tax resident entity (with no permanent establishment in the Republic of Italy to which the Notes are effectively connected), provided that:
  - (a) the conditions set forth by Article 6, paragraph 1, of Legislative Decree No. 239 are met, in particular, that such non-Italian resident beneficial owners are 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; and
  - (b) 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.

Under the tax return regime (*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. 138, only 62.5 per cent. of

capital losses, realised before 1 January 2012, can be utilised to offset capital gains subsequently realised.

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 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. 138, only 62.5 per cent. of capital losses, realised before 1 January 2012, can be offset against capital gains (within the original time framework).

Any capital gains on Notes held by Italian resident individuals otherwise than in connection with entrepreneurial activity who have elected for the Asset Management Option 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 Asset Management Option, 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 Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax return and remains anonymous. Pursuant to Decree No. 138, only 62.5 per cent. of any negative result of the assets under management, accrued before 1 January 2012, can be offset against future positive result of the assets under management (within the original time framework).

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.

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 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 Asset Management Option, 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, 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 Asset Management Option, 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.

### **Transfer tax**

The Italian transfer tax (*tassa sui contratti di borsa*) has been abolished. Following the repeal of Italian transfer tax, as from 31 December 2007, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to fixed registration tax at rate of €168; (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax at rate of €168 only in case of use or voluntary registration or occurrence of the so-called *enunciazione*.

### **Stamp duty on financial instruments**

The article 19 of Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, introduced a stamp duty on communications (issued by banks and financial intermediaries) to clients relating to securities even in cases where the deposit of such securities is not mandatory (although certain entities are excluded).

Starting as from fiscal year 2013 onwards stamp duty applies on a yearly basis at the rate of 0.15 per cent. calculated on the market value – or in the absence of the market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Notes). The stamp duty is applied with a minimum amount of € 34.20 and from the year 2013 onwards, the stamp duty should not exceed € 4,500. Stamp duty applies both to Italian resident and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

The communication is deemed to be sent to clients at least once a year, even where there is no obligation to issue any such communication.



## **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.

## **Luxembourg Taxation**

*The following is a general description of certain Luxembourg tax considerations relating to the Notes. 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 a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. 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 summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to 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 law of 21 June 2005 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 (20% from 1 July 2008 to 30 June 2011 and 35% from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph “EU Savings Tax Directive”) or agreements;
- (ii) the application as regards Luxembourg resident individuals in the context of their private wealth of the Luxembourg law of 23 December 2005 which has introduced a 10% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 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% from 1 July 2008 to 30 June 2011 and 35% 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.

## SUBSCRIPTION AND SALE

### Dealer Agreement

Notes may be sold from time to time by the Issuer to any one or more of Credit Suisse Securities (Europe) Limited, Banca IMI S.p.A., Barclays Bank PLC, UniCredit Bank AG, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Commerzbank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Merrill Lynch International, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, UBS Limited and Société Générale (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 5 August 2005, as amended by means of an amendment to the dealer agreement dated 1 March 2010, a second amendment to the dealer agreement dated 25 March 2011, third amendment to the dealer agreement entered into on 14 May 2012, and a fourth amendment to the dealer agreement entered into on 21 May 2013 (the "**Dealer Agreement**") and made between the Issuer, the Representative of Noteholders and the Dealers, as amended and supplemented from time to time. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. 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 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 confirmation of the appointment of the Representative of Noteholders by the Relevant Dealer(s) as initial holder(s) of the Notes then being issued.

### Selling restrictions

#### *Article 5 and general selling restrictions*

Pursuant to Article 5, the offering of the Notes may be effected only to institutional investors both on primary and secondary trades.

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Final Terms, no action has been or will be taken in any country or jurisdiction by CDP or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering

material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands 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 have in their possession or distribute such offering material, in all cases at their own expense.

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 (with specific reference to the jurisdictions of the United States, the European Economic Area and Japan see below).

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.

### ***Republic of Italy***

Pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, the offering of the Notes has not been registered with CONSOB.

Each Dealer severally represents, warrants and agrees and each additional Dealer appointed under the Programme will severally represent, warrant and agree that the offering of the Notes may be effected only to: (i) banks, (ii) investment companies, (iii) UCIs (organismi di investimento collettivo del risparmio), (iv) asset management companies (società di gestione del risparmio), (v) harmonised management companies (società di gestione armonizzate), (vi) pension funds, (vii) insurance companies, (viii) other authorised or regulated financial institutions, (ix) companies indicated in no.(2) of par. I of Annex no.3 of Consob Regulation No. 16190, as amended, (x) banking foundations regulated by Legislative Decree No. 153 dated 17 May 1999, as amended, (xi) national governments, (xii) central banks, (xiii) international and supranational institutions such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations, and (xiv) other institutional investors.

Any such offer, sale or delivery of Notes or distribution of copies of the Base Prospectus or any other material relating to the Notes in Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Law, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and the Italian Banking Act; and

- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

### *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 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 have sent 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 (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, 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.

### *European Economic Area*

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 "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (c) *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 (c) 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.

### **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 27 June 2012, 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 applied by the Issuer to raise funds to finance projects, plant, networks and assets for the supply of public services and to reclaiming lands pursuant to paragraph 7, letter (b) of Article 5, as well as to finance activities and transactions which are instrumental, connected and/or ancillary thereto.

### **The Representative of Noteholders**

Pursuant to the provisions of paragraph 20 of Article 5, the Conditions and the Rules of Organisation of Noteholders, there shall be at all times a Representative of Noteholders appointed to act in the interest and behalf of the Noteholders. The Representative of Noteholders is currently BNY Corporate Trustee Services Limited as successor of J.P. Morgan Corporate Trustee Limited.



BNY 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.

### **Litigation**

In the last 12 months there have been no litigation or arbitration proceedings against or affecting the Issuer or any of its respective assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the Programme or the issue of the Notes thereunder.

### **No material adverse and no significant change**

Save as disclosed in this Base Prospectus in section "Recent Events" at page 121, there has been no material adverse change in the prospects of the Issuer since 31 December 2012, nor has there been any significant change in the trading position, the financial position or the prospects of the Issuer, which has occurred since 31 December 2012.

### **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 separate audited annual financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ending on 31 December 2010, 31 December 2011 and 31 December 2012 and the separate unaudited condensed interim financial information as at and for the six months ended 30 June 2011 and 30 June 2012;
- (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 2010, 31 December 2011 and 31 December 2012 and the consolidated unaudited condensed interim financial information as at and for the six months ended 30 June 2011 and 30 June 2012;
- (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.

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

#### **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 public offers 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](http://www.bourse.lu)).

#### **Expenses of the update**

The total expenses in connection with the admission to trading of the Base Prospectus of the Programme is estimated to be around Euro 70,000.

**REGISTERED OFFICE OF THE ISSUER**

**CASSA DEPOSITI E PRESTITI S.P.A.**

Via Goito, 4  
00185 Rome  
Italy

**DEALERS**

**Banca IMI S.p.A.**  
Largo Mattioli 3,  
20121 Milan  
Italy

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**Citigroup Global Markets Limited**  
Citigroup Centre Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**MPS Capital Services Banca per le Imprese S.p.A.**  
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50127 Firenze  
Italy

Offices  
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**Commerzbank Aktiengesellschaft**  
Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Nomura International plc**  
1 Angel Lane  
London EC4R 3AB  
United Kingdom

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**Société Générale**  
29 Boulevard Haussmann  
75009 Paris  
France

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Germany

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**THE REPRESENTATIVE OF THE NOTEHOLDERS**

**BNY CORPORATE TRUSTEE SERVICES LIMITED**

One Canada Square,  
E14 5AL London  
United Kingdom

**PRINCIPAL PAYING AGENT**

**THE BANK OF NEW YORK MELLON (LUXEMBOURG ), ITALIAN BRANCH**

Via Carducci, 31  
201223 Milan  
Italy

**LUXEMBOURG PAYING AGENT AND LISTING AGENT**

**THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.**

2-4 rue Eugene Ruppert  
Vertigo Building - Polaris L-2453  
Luxembourg - Grand Duchy of Luxembourg

**LEGAL ADVISERS**

*To the Issuer:*

**Gianni, Origoni, Grippo, Cappelli & Partners**  
6-8 Tokenhouse Yard  
London EC2R 7AS  
United Kingdom

*To the Dealers:*

**Clifford Chance Studio Legale Associato**  
Piazzetta M. Bossi, 3  
20121 Milano  
Italy

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers S.p.A.**

Via Monte Rosa 91  
Milan  
Italy