



**INFORMATION MEMORANDUM**

**31 July 2014**

**FINANZIARIA INTERNAZIONALE HOLDING S.P.A.**

*with registered office at Via Vittorio Alfieri, 1-31015 Conegliano*

*subscribed and paid share capital Euro 1,859,630.00 fully paid up*

*Tax Code 01130140260 - VAT 00798100269 and registration number in the Register of Companies of Treviso*

*01130140260 - R.E.A. (Economic Administrative Index) 141811*

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

**MULTI-CURRENCY COMMERCIAL PAPER PROGRAMME**

***(Programma di Cambiali Finanziarie)***

<b>Name of the Programme:</b>	<b>Multi-Currency Commercial Paper Programme <i>(Programma di Cambiali Finanziarie)</i></b>
<b>Type of the Programme:</b>	<b>Commercial Paper <i>(Cambiali Finanziarie)</i></b>
<b>Issuer:</b>	<b>Finanziaria Internazionale Holding S.p.A.</b>
<b>Programme size:</b>	<b>€250,000,000</b>
<b>Rating(s):</b>	<b>Not rated</b>
<b>Agent:</b>	<b>BNP Paribas Securities Services, Milan Branch</b>
<b>Listing:</b>	<b>ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A.</b>

**The content of this Information Memorandum has not been reviewed or approved by the Commissione Nazionale per le Società e la Borsa (CONSOB) and Borsa Italiana S.p.A.**



## IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the "**Information Memorandum**") contains summary information provided by Finanziaria Internazionale Holding S.p.A. (the "**Issuer**") and has been prepared for the issuance of commercial paper instruments (the "**Instruments**" or "**Cambiali Finanziarie**") pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134 (the "**Law 43**"), in connection with a Multi-Currency Commercial Paper Programme (*Programma di Cambiali Finanziarie*) (the "**Programme**") under which the Issuer may issue and have outstanding at any time Instruments up to a maximum aggregate amount of €250,000,000 as at the relevant issue date.

Under the Programme, the Issuer may issue the Instruments outside the United States pursuant to Regulation S (the "**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**").

The Issuer may enter into a dealer agreement in connection with the issue of one or more series of Instruments (the "**Dealer Agreement**") whereby the Issuer may appoint one or more institutions as dealers for the Instruments (the "**Dealers**" and, each of them, a "**Dealer**") and authorise and request the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Instruments.

This Information Memorandum comprises listing particulars for the purposes of the application to the ExtraMOT PRO (the "**ExtraMOT PRO**"), the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**") and application has been made to Borsa Italiana for the Instruments to be admitted to trading on the ExtraMOT PRO. References in this Information Memorandum to the Instruments being "**listed**" shall be construed accordingly.

The Issuer has confirmed (and will confirm to the Dealers) that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Neither the Issuer nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

The Dealers have not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted, by the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Dealers and the Issuer that any recipient should purchase Instruments. Each such recipient must make, and shall be deemed to have made, its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

The Dealers do not undertake to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum of any information or change in such information coming to any Dealer's attention.

The Dealers do not accept any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Instruments. The distribution of this Information Memorandum and the offering for sale of Instruments or any interest in such Instruments or any rights in respect of such Instruments, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Instruments or any interest in such Instruments or any rights in respect of such Instruments are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Instruments and on distribution of this Information Memorandum and other information in relation to the Instruments and the Issuer set out under "Selling Restrictions" below.

**THE INSTRUMENTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).**

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Instruments will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

#### **Interpretation**

In the Information Memorandum, references to:

"Euro" and "€" refer to the single currency of participating member states of the European Union;

"U.S. dollars", "U.S.\$" and "\$" refer to United States dollars

"Sterling" and "£" refer to pounds sterling.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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## DEFINITIONS

*A list of the definitions and terms used in the Information Memorandum is outlined below. These definitions and terms, unless otherwise specified, have the meaning set out below, it being understood that the same meaning shall be deemed both singular and plural.*

**"Dealer(s)"** means any institution or institutions from time to time appointed by the Issuer (and whose appointment has not been terminated) pursuant to the terms of the Dealer Agreement and acting as dealer in connection with a relevant series of Instruments, as specified in the relevant Contractual Terms.

**"Dealer Agreement"** means the agreement that may be entered into by the Issuer and the institutions acting as dealers in the context of the Programme in relation to the issue and the placement of the relevant series of Instruments, as may be from time to time amended, modified and supplemented in accordance with the provisions therein contained and any deed or document expressed to be supplemental thereto.

**"Financial Indebtedness"** refers to, in relation to the Issuer, any indebtedness, even if not yet due and/or payable, in relation to:

- (a) any type of financing (including, and without limitation to, bank loans and/or credit facilities, discount and factoring, advances subject to collection and bank receipts, issues of notes or debt securities, including convertible notes or debt securities, and other debt securities and financial instruments having any form of debt or other *quasi-equity* indebtedness instruments and any joint holding contract in which the Issuer is the joint holder or arising from any other transaction having the economic/commercial effect of financing), or money however taken as a loan in any form for which there is an obligation to repay even if subordinate and/or deferred and/or subject and/or parameterized in the profits or income of an underlying activity or other economic and/or financial parameters/indices, including any securitisation of receivables originated by the Issuer, regardless of the technical form of financing/loan and the nature of the contractual relation;
- (b) any indemnification obligation taken in connection with any type of financing or loan or other debt issued or taken in any form by third parties (even through the issuance of securities and financial instruments), including, but not limited to, any indemnity, obligation, standby and documentary letters of credit, as well as any guarantee;
- (c) any debt or liability arising from finance leases and compensation payable for the acquisition of the assets which are the subject of such lease contracts, in the case of exercise of the stock option right;
- (d) any debt or liability, even potential or conditional, that may arise from guarantees or other guarantees of similar nature, and letters of patronage and the like, including those not required to be registered or recorded in the memorandum accounts or in any other way in the annual accounts;
- (e) any amount raised in the context of other transactions (including transactions for the sale and purchase of forwards, agreements for sale and sale back or sale and leaseback) having the commercial effects of the loan or otherwise classified as loans in accordance with the applicable accounting principles;
- (f) any derivative transaction (and, when calculating the value of such derivative transaction, only the fair market value should be considered (marked to market value) or, if the actual amount is due as a result of the termination or close-out of such derivative transaction, such amount);
- (g) any amount arising from an advance or deferred purchase agreement, in the event that: (A) one of the main reasons for the conclusion of such agreement is to raise funds or to finance the purchase or

construction of the good or service in question, or (B) the agreement is aimed at the delivery of goods or services and the payment is due over 90 (ninety) days from the date of delivery, and

- (h) the amount resulting from any guarantee for any of the transactions referred to in paragraphs (a) to (g) above.

**"Gruppo Finanziaria Internazionale"** refers to, jointly, the Issuer and all the companies included in the consolidation of the Issuer.

**"Issuer"** means Finanziaria Internazionale Holding S.p.A., with registered office at Via Vittorio Alfieri, 1, 31015 Conegliano, subscribed and paid share capital Euro 1,859,630.00 fully paid up, Tax code 01130140260, VAT 00798100269 and registration number in the Register of Companies of Treviso 01130140260, REA n. 141811. The portion of share capital subscribed and not paid is related on the convertible bond approved on February 6, 2004.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published or are being published simultaneously with this Information Memorandum and have been filed with Borsa Italiana, are incorporated in, and form part of, this Information Memorandum:

- (a) 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 ended 31 December 2013;
- (b) 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 ended 31 December 2012;

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference by way of a supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this information Memorandum.

The Issuer will provide, without charge to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Information Memorandum. In addition such documents will be available, without charge, at the website of the Issuer: [www.finint.com/it/investor-relations/bilanci-relazioni.php](http://www.finint.com/it/investor-relations/bilanci-relazioni.php).

Except as provided above, no other information, including information on the website of the Issuer, is incorporated by reference in or forms part of this Information Memorandum.

Future financial information relating to the Issuer will be published from time to time on the Issuer's website: [www.finint.com/it/investor-relations/bilanci-relazioni.php](http://www.finint.com/it/investor-relations/bilanci-relazioni.php).

## DESCRIPTION OF THE PROGRAMME

<b>Name of the Programme:</b>	Multi-Currency Commercial Paper Programme ( <i>Programma di Cambiali Finanziarie</i> )
<b>Type of the Programme:</b>	Commercial Paper Programme ( <i>Programma di Cambiali Finanziarie</i> ).
<b>Name of the Issuer:</b>	Finanziaria Internazionale Holding S.p.A.
<b>Purpose of the Programme:</b>	The net proceeds from the sale of the Instruments will be applied by the Issuer for general funding purposes.
<b>Programme size:</b>	€250,000,000
<b>Maximum Amount of the Programme:</b>	The outstanding principal amount of the Instruments will not exceed €250,000,000 (or equivalent in any other Currency) at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.
<b>Programme Termination:</b>	The Programme will terminate on 31 December 2024, being understood that such term is not to be referred to the validity of this Information Memorandum which shall be updated, supplemented and renewed by the Issuer in accordance with the applicable listing rules.

## Information on the Instruments

<b>Characteristics and form of the Instruments:</b>	<p>The Instruments will be in bearer form and will be issued and held in dematerialised form or in any other form as set out in the relevant Contractual Terms.</p> <p>The Instruments issued in dematerialised form (<i>emesse in forma dematerializzata</i>) will be held on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("<b>Monte Titoli</b>") for the account of the relevant Monte Titoli account holders. Each such Series or Tranche will be deposited with Monte Titoli on the relevant Issue Date. The Instruments issued in dematerialised form will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of (i) Article 83-<i>bis et seq.</i> of the Italian Financial Services Act and the relevant implementing regulations and (ii) Bank of Italy and CONSOB Regulation dated 22 February 2008. No physical document of title will be issued in respect of the Instruments issued in dematerialised form.</p>
<b>Remuneration:</b>	The Instruments will be interest bearing or discounted as specified in the Contractual Terms applicable to the relevant Instruments. Interest bearing Instruments will pay interest at such rates and on such dates as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Contractual Terms. Discounted Instruments will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Currencies of issue of the Instruments:</b>	The Instruments will be denominated in Euro, U.S. Dollar, Sterling or any other applicable currency (each a " <b>Currency</b> ").



<b>Maturity of the Instruments:</b>	<p>The tenor of the Instruments shall be neither less than one month nor more than 18 months from and including the date of issue subject to compliance with any applicable legal and regulatory requirements.</p> <p>Each Instrument will be redeemed at its Redemption Amount on the applicable Maturity Date as specified in the relevant Contractual Terms. The Instruments may not be subject to early redemption.</p>
<b>Minimum issuance amount:</b>	Euro 100,000 (or equivalent in any other Currency; see "Minimum denomination of the Instruments" below).
<b>Minimum denomination of the Instruments:</b>	Euro 100,000 or equivalent in any other Currency, subject to compliance with any applicable legal and regulatory requirements. The minimum denominations of the Instruments denominated in any Currency other than Euro will be equal to €100,000 (determined by reference to the relevant spot rate of exchange on the issuance date of the relevant Instruments). Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.
<b>Status of the Instruments:</b>	The Issuer's obligations under the Instruments will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.
<b>Governing law applicable to the Instruments:</b>	The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.
<b>Listing:</b>	Application has been made to Borsa Italiana for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana.
<b>Clearing and Settlement System:</b>	Monte Titoli S.p.A.
<b>Ratings of the Programme:</b>	Not rated
<b>Guarantor of the Programme:</b>	Not Applicable
<b>Agent:</b>	BNP Paribas Securities Services, Milan Branch
<b>Dealer(s):</b>	Any institution or institutions from time to time appointed by the Issuer (and whose appointment has not been terminated) pursuant to the terms of the Dealer Agreement and acting as dealer in connection with a relevant series of Instruments, as specified in the relevant Contractual Terms.
<b>Selling restrictions:</b>	Offers and sales of the Instruments and the distribution of this Information Memorandum and other information relating to the Issuer and the Instruments are subject to certain restrictions, details of which are set out under "Selling Restrictions" below.

**Taxes:**

As at the date of this Information Memorandum, all payments in respect of the Instruments may be subject to a withholding or deduction for or on account of "*imposta sostitutiva*" pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**"), as amended and supplemented from time to time and any related regulations. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of the Instruments to cover the amounts so withheld or deducted.

**Notices:**

If the Instruments have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana S.p.A., all notices required to be published concerning such Instruments shall be published in accordance with the requirements of Borsa Italiana, if any (and/or of the relevant listing authority, stock exchange and/or quotation system). The Issuer may, in lieu of such publication and if so permitted by the rules of Borsa Italiana, deliver all such notices to Monte Titoli S.p.A. or publish such notices by any other means acceptable to Borsa Italiana.

Unless otherwise provided by any applicable laws and regulations, any communication from the Issuer to the Instrumentholders shall be deemed to be valid if published on the Issuer's website at the following address: [www.finint.com](http://www.finint.com).

## DESCRIPTION OF THE ISSUER

<b>Legal name:</b>	Finanziaria Internazionale Holding S.p.A. (the "Issuer")
<b>Legal form/status:</b>	The Issuer is a joint stock company ( <i>società per azioni</i> ) incorporated under the laws of the Republic of Italy.
<b>Date of incorporation/establishment and duration:</b>	<p>Finanziaria Internazionale Holding S.p.A. was incorporated in 17 April 1980.</p> <p>The duration of the Issuer, pursuant to article 3 of the by-laws of Finanziaria Internazionale Holding S.p.A. (the "<b>By-Laws</b>"), is set until 31 December 2050, unless otherwise extended by shareholders' resolution.</p>
<b>Registered office:</b>	The registered office of Finanziaria Internazionale Holding S.p.A. and its principal place of business is Via Vittorio Alfieri 1, 31015 Conegliano, Italy.
<b>Registration number, place of registration:</b>	Finanziaria Internazionale Holding S.p.A. is enrolled in the Register of Companies of Treviso with registration number and fiscal code 01130140260.
<b>Main corporate activities:</b>	<p>The Issuer is a holding company that, through the same, operates in three main business areas; the macro-areas in which the business of the Issuer and its subsidiaries is focused are the following:</p> <ol style="list-style-type: none"><li>(1) <u>Business Process Outsourcing Area</u>: the area offers a wide range of services in the outsourcing of administrative services for leasing companies, long-term rental companies, financial business companies; in the outsourcing of front office and back office services in the mortgage industry, credit recovery in court; business consulting for lean production. The BPO area has also developed in-house specific expertise in information technology and document management.</li><li>(2) <u>Corporate Finance &amp; Asset Management Area</u>: this macro area includes the business areas of Structured Finance, Asset &amp; Wealth Management, Corporate Finance, Private Equity and Trust Companies.  The area Structured Finance is dedicated to the structuring and organization of securitisation transactions as well as to the management and monitoring of the same through its subsidiary Securitisation Services S.p.A.. It also operates in Principal Finance, or activities related to direct investment in illiquid and distressed assets.  Asset &amp; Wealth Management is carried out by Finanziaria Internazionale Investments SGR S.p.A. in the areas of open speculative hedge fund securities and closed speculative real estate reserved for qualified investors. It also performs asset management. In addition to the management of the funds commented above, as part of its consulting business unit, it provides advice on financial matters and real estate.</li></ol>

Corporate Finance is engaged in consulting in corporate finance transactions and mergers and acquisitions for companies, multinational as well as small to medium size, and for investors in private equity. Please note that this activity from the end of 2011 due to the transfer of a business is no longer carried out directly by the Issuer, but by one of its subsidiaries: Finint Corporate Advisors S.r.l..

The Private Equity activity of Gruppo Finanziaria Internazionale, intended as investment activities primarily in the equity of unlisted companies, is run by the company Finint & Partners S.r.l., which for several years has been providing *advisory* in favour of the investment company promoted by Gruppo Finanziaria Internazionale or NEIP II S.p.A. - Infrastructure and services and NEIP III S.p.A., respectively initiatives dedicated to investments in companies active in "regulated" sectors and in small-and medium-sized enterprises.

The activity of Trusts is carried out by two wholly-owned trust companies that take static positions of administration of goods on behalf of third parties.

- (3) **Property Investments Area:** through the main subsidiary of Gruppo Finanziaria Internazionale, SAVE S.p.A., develops the business of management of airport infrastructure in Concession. SAVE S.p.A., in fact, is the company that manages the Airport "Marco Polo" in Venice, as well as the holding company for an integrated group active in the field of services to travellers mainly carried out under concession. It is noted that in July 2011, Gruppo Finanziaria Internazionale Holding S.p.A., also through its subsidiaries Agorà Investimenti S.r.l. and Marco Polo Holding S.r.l. considered definitively consolidated the exercise of *de facto* control of SAVE S.p.A. and therefore in that month the related fulfilments and communications required by the standards were been carried out. During the years 2012 and 2013 the investment in SAVE of Agorà Investimenti S.r.l. increased through the subsidiaries Sviluppo 73 S.r.l. e Sviluppo 91 S.r.l..

The Financial Investments of Gruppo Finanziaria Internazionale consist of the property equity portfolio and a portfolio of listed equity derivatives. Gruppo Finanziaria Internazionale also holds investments in notes, mainly consisting of asset-backed securities issued as part of securitisation transactions, and investments in mutual funds of speculative investment. The Equity Investment Portfolio of Gruppo Finanziaria Internazionale consists of a select group of investments in service companies, credit entities and industrial companies.

The Real Estate Area is responsible for the management and enhancement of building areas in Italy and abroad and for commercial real estate in Italy.

**Use of proceeds of the Instruments:**

The net proceeds from the sale of the Instruments will be applied by the Issuer for general funding purposes.

**Share capital:**

As at the date of the last approved annual financial statements, the Issuer's issued and paid-up share capital amounted to €1,859,630.00,

currently divided into 371,926 ordinary shares.

**Principal shareholders:**

As at the date of this Information Memorandum, the shareholder structure of the Issuer was composed as follows:

<u>Name of the shareholder</u>	<u>% of ordinary shares</u>
Abbacus – Commerciale Finanziaria S.p.A.	47
Assicurazioni Generali S.p.A.	10
Aprile S.r.l.	21.5
55.11 S.r.l.	21.5

As at the date of this Information Memorandum, the Issuer is not subject to management and coordination ("*attività di direzione e coordinamento*").

**Listing of the shares of the Issuer:**

Finanziaria Internazionale Holding S.p.A. is not listed on any stock exchange.

**Board of Directors:**

As at the date of this Information Memorandum, the composition of the Issuer's Board of Directors is as set out below:

<b>Name</b>	<b>Position</b>
Enrico Marchi	<i>Chairman and Managing Director</i>
Andrea de Vido	<i>Managing Director</i>
Daniele Da Lozzo	<i>Director</i>
Franco Lucchi	<i>Director</i>
Andrea Perin	<i>Director</i>
Mauro Sbroggiò	<i>Director</i>

**Board of Statutory Auditors:**

The Issuer's Board of Statutory Auditors is composed of three statutory auditors and two alternate auditors.

As at the date of this Information Memorandum, the composition of the Issuer's Board of Statutory Auditors is as set out below:

<b>Name</b>	<b>Position</b>
Lino De Luca	<i>Chairman</i>
Lodovico Tommaseo Ponzetta	<i>Statutory Auditor</i>
Denis Bozzetto	<i>Statutory Auditor</i>
Alberto De Luca	<i>Alternate Auditor</i>

Antonio Spunta

*Alternate Auditor*

The Issuer's Board of Statutory Auditors exercises, in accordance with the By-Laws, only the management control functions (art. 2403 of the Italian Civil Code) while the audit functions provided by art. 2409-bis of the Italian Civil Code, are carried out by the auditing firm Deloitte & Touche S.p.A..

**Conflicts of interest:**

None of the functions performed by any of the Board Members mentioned above results in a conflict of interest.

**Auditors:**

The Issuer's annual financial statements must be audited by external auditors appointed by the shareholders.

The external auditors, amongst other things, examine the Issuer's annual financial statements, issue an opinion regarding whether the Issuer's annual financial statements comply with the Italian regulations governing their preparation (i.e. whether they are clearly stated and give a true and fair view of the financial position and results of the Group) and verify the correct application of the accounting principles. The auditors' opinion is made available to the Issuer's shareholders prior to the annual general shareholders' meeting.

The financial statements of the Issuer as at and for the year ended 31 December 2012 and 31 December 2013 have been audited by Deloitte & Touche S.p.A., with registered offices at Via Fratelli Bandiera 3, Treviso, Italy. The foregoing annual financial statements, which attach those reports, are incorporated by reference into this Information Memorandum.

**Accounting method:**

The provisions set forth in Legislative Decree No. 87 of 27 January 1992 ("**Decree No. 87**") and the relevant dispositions of Bank of Italy.

**Accounting year:**

Starting as of 1 January to 31 December

**Litigations:**

Save as disclosed in this Information Memorandum, the Issuer is not or has not been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

## **ORGANIZATIONAL STRUCTURE**

**Gruppo Finanziaria  
Internazionale**

At the date of this Information Memorandum, the Issuer belongs to Gruppo Finanziaria Internazionale.

The graph below illustrates the structure of Gruppo Finanziaria Internazionale as of 31 March 2014.



- (2) Corporate Finance & Assets Managements Area, which includes all the companies held by the sub-holding Finint S.p.A., which, in turn, can be divided into the following main areas of activity:
  - (a) Structured Finance Area which includes the company: Finanziaria Internazionale Securitisation Group S.p.A. and Securitisation Services S.p.A.;
  - (b) Assets & Wealth Management Area which includes Finanziaria Internazionale Investments SGR;
  - (c) Corporate Finance Area which includes the Company Finint Corporate Advisors S.r.l.;
  - (d) Private Equity Area which includes the Company Finint & Partners S.r.l.;
  - (e) Trusts Area which includes the companies: Regent S.r.l. – società fiduciaria (trust companies) and Finvest Fiduciaria S.r.l. (trust companies).
- (3) Property Investments Area which can, in turn, be broken down into the following main areas of investment:
  - (a) Infrastructure Area, the main subsidiary SAVE S.p.A. operates in the infrastructure sector;
  - (b) Equity Investment Portfolio Area which includes the company TBS Group S.p.A.;
  - (c) Financial Investments Area which includes the following companies Ferak S.p.A., Effeti S.p.A. and Rete S.p.A.;
  - (d) Real Estate Area which includes Finint Immobiliare S.r.l., Progetto 3 S.r.l. and Padova Est S.p.A..

**Subsidiaries and affiliates of the Issuer**

Below is a brief description of the main subsidiaries and companies held, directly and indirectly, by the Issuer:

- (1) Business Process Outsourcing, below the top companies operating in this business unit:
  - (a) **Agenzia Italia S.p.A.** is a company active in the outsourcing of lease agreements and financing (administrative and operational buyback, control of the correct ownership of the vehicles at public offices, handling fines, theft and accidents, paying taxes).
  - (b) **Sogepim RE S.p.A.** is a company active in the outsourcing of lease agreements and control of real estate assets (checking the accuracy, completeness, maintenance of documentation and management of real estate redemptions).
  - (c) **Finleasing S.r.l.** is a leasing and financing brokerage firm; the



company is registered in the new List of financial agents pursuant to art. 128-*quater* of Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**"), held at the OAM (Body Agents and Brokers).

- (d) **Eurisko Italia S.r.l.** is a company active in the recovery of debts whether in or out of court and consultancy and analysis in banking, finance and leasing.
- (e) **Finint & Wolfson Associati S.r.l.** is a strategic consulting firm for the organization and the reshaping of production processes. The company not only caters to companies of Gruppo Finanziaria Internazionale but also to companies in the service sector and goods manufacturers.
- (f) **Mutui Casa Service S.p.A.** is a company constituted in February 2011, but is active with the web portal and with its own sales network only as from January 2012. Carries out credit mediation through an integrated business model, which puts together experience management skills and a proprietary technology platform according to the principles of integrity and transparency with the aim of offering to individuals and families the best tools for the comparison and selection of credit proposals on the Italian market.
- (g) **Global Point S.r.l.** is a company set up on 27 June 2012. The activity of the subsidiary is related to the provision of administrative, business, management and coordination services on behalf of third parties such as: organization of distribution and sales networks, organization and development of offices or stores in general, technical and commercial assistance, support and technical assistance in real estate and construction in general, technical assistance on sourcing contracts and contracts in general.

(2) **Corporate Finance & Assets Managements.** below the main companies operating in this business unit:

- (a) **Finanziaria Internazionale Securitisation Group S.p.A.** is a company that deals with consultancy for the structuring and organization of securitisation transactions.
- (b) **Securitisation Services S.p.A.** is a company which carries out servicing and all the related services or to support the management of securitisation transactions; the company is registered with the Special List of Financial Intermediaries in accordance with art. 107 of the Banking Act. Registration on the special list is a necessary condition dictated by Law 30 April 1999, No. 130 to carry out the role of Servicer as part of securitisation transactions.
- (c) **Finanziaria Internazionale Investments SGR S.p.A.** is a company whose scope is the activity of collective portfolio management through the establishment and management of

mutual funds and speculative real estate securities. In this context, the company has obtained the necessary authorization from the Bank of Italy, issued by order of 30/12/04. By decision dated 24 July 2012 the Bank of Italy has authorized the extension of operations with respect to hedge funds. Consequently, the company has expanded its corporate scope and changed its name to Finanziaria Internazionale Investments SGR S.p.A..

- (d) **Finint & Partners S.r.l.** is a company that conducts financial and service activities, through equity investments, the organization of financial transactions on behalf of subsidiaries and / or third parties, the assumption of mandates, with or without representation, relative to investments.
  - (e) **Finvest Fiduciaria S.r.l.** and **Regent S.r.l.** - **Trust companies** are companies that perform administration of assets on behalf of third parties, the organization and the audit of companies and the representation of the holders of shares and notes, as per the decree of the Ministry of Industry Trade and Craft issued in consultation with the Ministry of Justice on 14 February 1989 pursuant to Law 23 November 1939, No. 1966.
  - (f) **Finint Corporate Advisors S.r.l.** is a company engaged in Corporate Finance, providing assistance to major industrial and financial companies for "incoming and outgoing" transactions across a broad range of integrated services in the area of mergers and acquisitions (M&A) IPO processes (IPO) and the opening of capital to third parties, stock exchange transactions, delisting, public offerings, block trades, Corporate Restructuring and Turnaround, assistance in corporate finance transactions, preparation of business plans and financial planning, organization of debt financing, real estate finance and corporate consulting.
- (3) **Property Investments Area**, below the main companies operating in this business unit:
- (a) **SAVE S.p.A.:** company active in the management of the airport Marco Polo in Venice owned by Agorà Investimenti S.r.l., Marco Polo Holding S.r.l., Sviluppo 73 S.r.l. and Sviluppo 91 S.r.l..
  - (b) **TBS Group S.p.A.:** company active in the field of information technology for health care and in particular clinical engineering, telemedicine and medical IT.
  - (c) **Banca Credinvest S.A.:** independent bank under Swiss law with headquarters in Lugano dedicated to the management and administration of assets of both private and institutional clients. The Gruppo Finanziaria Internazionale has an equity interest of 10.126%.
  - (d) **Ferak S.p.A.:** company which is the investment vehicle of a select club of institutional investors, with the goal of enhancing

in the medium / long term. In particular, the company has focused its activities in the accumulation of a portfolio of shares in the listed company Assicurazioni Generali S.p.A. of which the company holds, together with the subsidiary Effeti S.p.A., 2.10% of the share capital.

- (e) **Finint Immobiliare S.r.l.:** Real estate Company that manages a compendium of properties partly owned and partly leased, granted primarily to companies of Gruppo Finanziaria Internazionale.
- (f) **Industrial Park Sofia A.D.:** a company under Bulgarian law with headquarters in Sofia, held, directly and indirectly, for 55.8%, the activity of which is the development of an important complex of buildings for commercial use, through the enhancement of a land located near the capital, the construction purpose of which is 2/3 logistic/industrial and 1/3 multifunction (directional /commercial/hospitality).

#### RECENT EVENTS OF THE ISSUER

##### Recent substantially relevant events for the assessment of the creditworthiness of the Issuer

Taking into account what has already been stated in this Information Memorandum, the Issuer believes that there are no additional recent substantially relevant events for the assessment of its creditworthiness.

For complete information relating to corporate transactions and significant events in respect of the year ended 31 December 2013 involving the Issuer, investors are advised to read carefully the relevant information contained in the audited separate and consolidated annual financial statements of the Issuer in respect of the year ended 31 December 2013, incorporated by reference into this Information Memorandum.

##### Issue of Minibond

On 22 January 2014 Finanziaria Internazionale Holding S.p.A. issued a bond (so-called "*minibond*") for a total nominal amount of Euro 12,000,000, entitled "*Finanziaria Internazionale Holding Tasso Fisso 5% 2014*" (the "**Minibond**").

The Minibond has been listed on the ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A..

The Minibond has been entirely subscribed by Qualified Investors and it will be fully repaid and redeemed on 22 January 2015.

The outstanding amount of the Minibond as at the date of this Information Memorandum is equal to Euro 12,000,000.

## **PERSONS RESPONSIBLE FOR THE INFORMATION**

### **Persons responsible for the Information Memorandum**

Finanziaria Internazionale Holding S.p.A. as Issuer is the entity responsible for the information contained in this Information Memorandum.

### **Declaration of responsibility**

Finanziaria Internazionale Holding S.p.A. as Issuer has confirmed that, to its knowledge, the information contained in this Information Memorandum is true and does not contain any omission which would make it misleading.

## **RISK FACTORS**

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

*The Issuer believes that the risk factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding any Instruments are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

### **RISK FACTORS RELATING TO THE ISSUER**

#### **Issuer's ability to meet its obligations under the Instruments**

No security interest has been created by Finanziaria Internazionale Holding S.p.A. for the benefit of the holders of the Instruments for their claims under the Instruments, nor will any guarantee be issued by the Republic of Italy in favour of the Instrumentholders. Consequently, the Issuer will meet its payment obligations under the Instruments primarily through the results of its business activities. Instrumentholders will have access to all assets of Finanziaria Internazionale Holding S.p.A. to satisfy their claims under the Instruments.

#### **Risks associated with indebtedness**

##### **Statutory Financial Statements**

The Issuer obtains its financial resources through traditional banking channels and traditional instruments such as medium / long-term loans, mortgages, short-term bank loans and lines of credit, through intercompany financing arising from operating flows of the subsidiaries, and, finally, through private debt, by the issuance of a convertible bond.

The Issuer, taking into account the commitments resulting from the approved statutory financial statements for the year ended 31 December 2013, has a total Financial Indebtedness at that date of Euro 223.97 million.

Specifically, the Financial Indebtedness for Euro 72.4 million relates to amounts due to credit institutions, for Euro 33.17 million to debts to financial institutions related to companies of Gruppo Finanziaria Internazionale (the Issuer coordinates and manages the treasury of Gruppo Finanziaria Internazionale) and for Euro 50.00 million to a convertible bond. On 31 January 2014, the Issuer refunded the amount of convertible bond and the total Financial Indebtedness position decreased.

In addition, we note guarantees given by the Issuer for Euro 68.4 (Euro 56.4 million relating to guarantees for credit facilities granted to Group companies and Euro 11.8 million for a property lease agreement) and commitments for Euro 0.2 million related to a commitment for leasing agreement subscriptions.

The financial statements as of 31 December 2013 show a net profit of Euro 30.68 million and shareholders' equity of Euro 104.03 million.

### Consolidated Financial Statements

Gruppo Finanziaria Internazionale obtains its financial resources through net cash flows from operations of companies belonging to its business areas, in the context of trade relations with the persons liable for the services rendered and creditors for the purchases of services and through traditional banking channels and traditional instruments such as medium / long-term loans, mortgages, short-term bank loans and lines of credit, and, finally, through private debt, by the issuance of a convertible bond. As of 31 December 2013 the Financial Indebtedness amounted to Euro 377.83 million; analysing in detail the composition of the Financial Indebtedness Euro 292.1 million are related to bank indebtedness (Euro 136.96 million short-term and Euro 155.14 million medium-long term); Euro 50 million are related to securities issued; Euro 25.3 million relating to amounts due to financial institutions in the medium-long term; Euro 0.53 million are related to guarantees and sureties, and finally, Euro 9.9 million relate to commitments. On 31 January 2014, the Issuer refunded the amount of convertible bond and the total Financial Indebtedness position decreased.

Comparing the Financial Indebtedness as of 31 December 2013, that amounted to Euro 377.83 million, with 2012, it shows an important decrease of Euro 34.17 million (as of 31 December 2012, the Financial Indebtedness was of Euro 412 million).

The consolidated financial statements as of 31 December 2013 show a net profit of Euro 0.78 million and shareholders' equity of Euro 76.4 million.

The risks of re-financing of debts are managed by monitoring the maturities of the loans and the coordination of indebtedness with the types of investment, in terms of liquidity of the assets in which the companies of Gruppo Finanziaria Internazionale invest; the latter activity has more significant monitoring in terms of asset & liability management of Gruppo Finanziaria Internazionale.

It is understood that there is no guarantee that, in the future, Gruppo Finanziaria Internazionale can negotiate and obtain the necessary financing for the development of its business or to refinance maturing ones, in the ways, terms and conditions offered by the same until the date of the Offering Memorandum. Consequently, any worsening in terms of economic conditions of new loans and any future reduction in the credit capacity with respect to the banking system could have negative effects on the economic and financial situation of the Issuer and/or the Group to which it belongs, and/or limit its ability to grow.

#### **Risks related to interest rate**

On 31 December 2013, the commitment relating to Financial Indebtedness resulting from the statutory financial statements of the Issuer amounted to Euro 223.97 million and that of Gruppo Finanziaria Internazionale amounted to Euro 377.83 million.

Analysing the interest rates applied to Indebtedness, the Issuer has a variable rate debt for about Euro 211.93 million.

Gruppo Finanziaria Internazionale, both at consolidated level and in terms of the individual companies part of Gruppo Finanziaria Internazionale, has a significant exposure to interest rate risk arising from the variable indebtedness rate, risk mitigated by the existence of investments and the use of liquidity in forms substantially indexed to short-term rates.

Analysing the interest rates applied to the indebtedness, Gruppo Finanziaria Internazionale has a variable indebtedness rate for about Euro 365.55 million.

Although Gruppo Finanziaria Internazionale adopts active policies for monitoring rate risk, any future increase in interest rates would result in an increase in financial costs related to variable indebtedness rate. The previous assumptions could have an adverse effect on the economic and financial situation of the Issuer and Gruppo Finanziaria Internazionale.

### **Risks associated with exchange rate**

At the date of the Information Memorandum, there are no risks related to changes in exchange rates that could have a significant impact on the economic and financial position of the Issuer.

### **Risks related to litigation / Legal Risk**

In the ordinary course of its business and at the date of the Information Memorandum, the Issuer and / or the companies belonging to Gruppo Finanziaria Internazionale are not part of any civil proceedings.

It should be noted that is pending a tax audit in a subsidiary of Gruppo Finanziaria Internazionale; as final, on 22 October 2012, by order No. 140/09/12, the Provincial Tax Commission of Treviso ruled in favour of a company of Gruppo Finanziaria Internazionale, accepting the appeal against the assessments issued by the Provincial Inland Revenue Agency of Treviso. In fact, following the tax audit carried out in December 2010 on the 2005 tax year, it was held that the capital losses realized on the sale of the equity investment held in Volare Group S.p.A. were not deductible for IRES purposes and the bad debts written off in 2004 could not be carried forward. While waiting for the ruling by the court of first instance, the company had temporarily paid the tax charges and interest accrued totalling € 5 thousand. It should be noted that the Provincial Revenue Directorate of Treviso appealed; during the year 2014, the Provincial Tax Commission of Treviso also notified a new tax audit related to the same object for which the company (subsidiary of Gruppo Finanziaria Internazionale) will appeal to the Provincial Tax Commission. The risk of future loss related to this verification is considered possible.

### **Risks associated with the suppliers of products and services that the Issuer uses in the implementation of its initiatives**

The Issuer believes that there are no risks associated with suppliers of products and services that can have a significant impact on the economic and financial position of the Issuer itself.

### **Risks related to dependence of the Issuer on certain key figures and the concentration of powers in the hands of a few individuals**

The persons of the Chairman of the Board of Directors and the Managing Director of the Issuer have been instrumental to the success of Gruppo Finanziaria Internazionale on the markets and business areas in which it operates and are still crucial in terms of market knowledge and relations, experience and strategic vision.

By reason of the foregoing, although under the operational and management profile Gruppo Finanziaria Internazionale has equipped itself with a structure capable of ensuring continuity in the management of activities, the link between the original founders and other key figures of Gruppo Finanziaria Internazionale remains a critical success factor and therefore it cannot be ruled out that, if a group of such key figures ceased to cover the role carried out so far, this could have a negative effect on the competitiveness and growth of Gruppo Finanziaria Internazionale and influence the objectives expected, with possible negative effects on the business and growth prospects as well as on its economic and financial position.

The operational powers relating to the Issuer are entrusted to members of the administrative body and managerial roles with proven experience.

### **Risks relating to the granting of sureties (*fideiussioni*) and / or other guarantees**

The risks arising from the presence of existing guarantees or sureties (*fideiussioni*) by the Issuer are the following:



- (i) surety guarantees (*fideiussioni*) issued in favour of banks for credit facilities granted to the companies of Gruppo Finanziaria Internazionale for Euro 56.4 million;
- (ii) surety guarantees (*fideiussioni*) issued in favour of leasing companies for guarantees granted to companies of Gruppo Finanziaria Internazionale for Euro 11.8 million; it is a lease contract on the property of the historic headquarters of Gruppo Finanziaria Internazionale Holding S.p.A.. This contract was entered into by a company of Gruppo Finanziaria Internazionale.

The risks arising from the presence of existing guarantees or sureties by Gruppo Finanziaria Internazionale are the following:

- (a) surety guarantees (*fideiussioni*) issued in favour of a leasing company on behalf of subsidiaries and associated companies for Euro 0.1 million;
- (b) surety guarantees (*fideiussioni*) issued in favour of third parties on behalf of subsidiaries for Euro 0.4 million.

#### **Risks associated with existing leases**

The Issuer declares that, at the date of this Information Memorandum, there are leases by the Issuer or by a Company of Gruppo Finanziaria Internazionale required for the normal course of business, for which the financial commitment has been reported in the financial statement commitments, and that there are no risks in this regard other than those related to ordinary leases.

#### **Operational Risk**

The Issuer is exposed to many types of operational risk, including the risk of fraud by employees and external parties, the risk of unauthorized transactions by employees or the risk of operational errors, including those resulting from defects or malfunctions of the computer or telecommunications systems. The systems and methods of operational risk management are designed to ensure that such risks associated with its activities are kept properly under control. Any defect or drawback of these systems could adversely affect the financial position and operating results of the Issuer. These factors, particularly in times of economic and financial crisis, could lead the Issuer to suffer losses, increases in financing costs, reductions in the value of assets held, with a potential negative impact on the liquidity of the Issuer and related financial soundness.

#### **Risks related to credit losses**

At 31 December 2013, Gruppo Finanziaria Internazionale had total receivables from customers for approximately Euro 8.6 million, of which approximately Euro 0.7 million were outstanding. A provision for impairment of loans for Euro 0.7 million considered adequate to represent the estimated value of the receivables was established.

The risk related to credit losses shall be declined per business units:

- (1) **BPO Area:** although not expressed in the consolidated financial statements (companies consolidated at equity) the receivables from customers are very important in relation to the activities of this business unit (Euro 22.3 million at 31 December 2013 compared with a total of Euro 36.6 million). After a thorough analysis of all overdue receivables, the companies of Gruppo Finanziaria Internazionale belonging to this area have decided to allocate a provision of the impairment of loans for Euro 1 million. By analysing the overdue positions and the historical trend of losses on receivables, the provision for doubtful accounts is more than sufficient.



- (2) Corporate Finance & Asset Management Area: Receivables from customers reported in the consolidated balance sheet are attributable to this business unit and refer to the provision of services and consultations carried out as part of the ongoing management of each of the companies belonging to this area. At 31 December 2013 receivables from customers amounted to Euro 3.7 million, of which the amount provided by way of provision of impairment on loans amounted to Euro 0.8 million, an amount considered adequate to represent the estimated realizable value of the receivables. The business unit in question has not made significant losses on receivables over the prior years; the risk is assessed medium-low considering the high standing of the counterparties.
- (3) Area Property Investments: this area is not subject to credit losses.

There is also a kind credit risk associated with investment securities in the portfolio of some Companies of Gruppo Finanziaria Internazionale (at 31 December 2013 the item Notes and other fixed-income securities amounted to Euro 22.7 million), which is assessed by rating class; the average rating of the portfolio as at 31 December 2013 amounted to Baa3/BBB - and Gruppo Finanziaria Internazionale adopts a policy of active monitoring of the risk associated with the payment of the coupons and the repayment of capital by issuers selected. It is important to consider that these are issuers with high credit standing.

### **Liquidity risk**

The Issuer's liquidity could be affected by the inability to sell its services, unexpected outgoing cash flows, the obligation to provide higher guarantees or the inability to access the capital markets. This situation may arise due to circumstances beyond the Issuer's control, such as a general market disruption or an operational problem that affects the Issuer or any third party or even the perception among market participants that the Issuer or other market participants are having a higher liquidity risk.

Liquidity risk in Gruppo Finanziaria Internazionale is the risk of failing to meet its obligations due to insufficient liquidity on equity with respect to liabilities. Moreover, liquidity risk is also due to the existing asymmetry of the funding sources, which are mainly short term, with medium and long-term investments and operations. In light of the structure of the net financial position of Gruppo Finanziaria Internazionale, particularly exposed to short-term debt, such management is very important to ensure the financial stability in the short and medium term.

It should be noted, finally, that the liquidity risk related to the Issuer, as a holding company, must take into account the financial structure of the subsidiaries and their ability to generate cash flows adequate to support their investments.

To mitigate this risk, the Issuer and Gruppo Finanziaria Internazionale monitor and manage daily and diffusely liquidity risk on a centralized basis; in particular with monitoring procedures in place it is assured that the companies of Gruppo Finanziaria Internazionale will have sufficient liquidity to cope with any contingencies.

### **Risks related to transactions with related parties**

The Issuer has maintained, and still maintains, a number of commercial and financial transactions with related parties, as defined on the basis of the principles established by the International Accounting Standard IAS 24. These transactions primarily involve those with subsidiaries and belonging to the scope of consolidation of Gruppo Finanziaria Internazionale. They mainly concern relations held through intercompany currency accounts adjusted to market conditions. In fact, the Issuer provides the subsidiaries with administrative, accounting and treasury services, while the latter provide commercial, financial and support services to the Issuer.

Finally, the Issuer has entered into a relation of intercompany currency account, that amount in Euro 2.7 million with a company of its corporate structure. Is a temporary liquidity correspondence account, included

in receivables on demand and include interest accrued at 31 December 2013; the transactions are regulated at market value.

It is hereby noted that a part of the Instruments could be subscribed by a company belonging to Gruppo Finanziaria Internazionale.

### **Risks associated with the priority statements and market information**

The public information sources (ex. website of the Issuer, the Issuer's financial statements etc.) contain information relating to the description of the relevant markets and the relative positioning of the Issuer and priority declarations and estimates made by the Issuer on the basis of specific knowledge of the sector, public data, official accounts of competitors and own experience.

Such information could, however, not correctly represent the target markets, their evolution, the relative positioning of the Issuer, and its actual developments, due to known and unknown risks, uncertainties and other risk factors.

### **Risks associated with capital adequacy**

Gruppo Finanziaria Internazionale assesses and monitors every six months even its capital adequacy at the consolidated level, including in the analysis also the fair value of balance sheet assets and, therefore, capital adequacy with respect to the assets of the financial statements.

The most recent assessment is that relating to the "extended" consolidated financial statements at 31 December 2013 or that consolidates the companies in the BPO area and restores the consolidation differences deducted from Minority interests in equity as a result of the specific accounting standards established by Decree No. 87 (provisions and principles of Gruppo Finanziaria Internazionale for the preparation of financial statements). Comparing the amount of the Financial Indebtedness of Gruppo Finanziaria Internazionale it's shown that the ratio is 1:2.68 with the value of shareholders' equity at 31 December 2013. The same ratio at 31 December 2011 is 1:3.57; and this confirms the action of deleveraging conducted by Gruppo Finanziaria Internazionale in the last three years for an amount over Euro 95 million.

The same assessment of capital adequacy was also performed for Gruppo Finanziaria Internazionale evaluating the assets at fair value *that is*:

- (1) With regard to financial assets, the calculation is made on the basis of current market prices as of 31 December 2013.
- (2) Regarding the values of tangible fixed assets, reference was made to appraisals recently prepared by independent experts.
- (3) The market values of the operating divisions were determined by the method of valuation of the discounted cash flow and market multiples. These values are therefore in line with certain sworn appraisals prepared by independent experts.

Comparing the amount of the Financial Indebtedness of Gruppo Finanziaria Internazionale it is shown that the ratio is 1:1 with the value of the net assets at fair value at 31 December 2013; this improvement is mainly given by the gains implied on the shareholding SAVE S.p.A., the main subsidiary of Gruppo Finanziaria Internazionale.

Possible changes in equity prices could lead to a decrease in the ratio of Financial Indebtedness to equity at current values resulting in negative effects on the equity and financial position of Gruppo Finanziaria Internazionale.

## **Risks associated with bank and non-bank facilities**

### **Statutory Financial Statements**

The net financial position of the Issuer as of 31 December 2013, not inclusive of the bond, is a liability for approximately Euro 18.1 million and is composed of financial assets for Euro 87.9 million, amounts due to credit institutions for Euro 72.4 million, due to financial institutions for Euro 33.2 million and accrued liabilities for Euro 0.4 million.

In detail, amounts due to credit institutions include payables demand for Euro 1.4 million and relate to balances due on current accounts held with some lenders; debt for Euro 71 million which are fully represented by short-term loans and medium-term loans made by lenders. These have the following repayment dates: within 6 months Euro 21.8 million; within 12 months Euro 17.6 million; within 18 months Euro 4.3 million and over 18 months Euro 27.3 million.

Amounts owed to financial institutions include payables on demand to financial institutions of Gruppo Finanziaria Internazionale for Euro 33.2 million.

At 31 December 2013, the issuer has not outstanding bank credit subject to collection.

### **Consolidated Financial Statements**

The net financial position of Gruppo Finanziaria Internazionale of the Issuer as of 31 December 2013, not inclusive of the bond is a liability for approximately Euro 191.4 million; in detail the net financial position is composed of financial assets for Euro 36.3 million (of which Euro 10.8 million short-term and Euro 25.5 million medium / long term), amounts owed to credit institutions for a total of 292.1 million (of which Euro 137 million short-term and 155.1 million medium-long term) debt to financial institutions for a total of Euro 25.3 million (of which Euro 17.4 million short-term and Euro 7.9 million in the medium / long term loans).

The net financial position includes equity and bond investments totalling Euro 89.7 million, of which Euro 56.9 million is classified as short-term investments and Euro 32.8 million as investment in the medium term are mostly represented by immobilized securities.

Below is the breakdown by maturity and type of debts to credit institutions: payables on demand amounted to Euro 8.5 million and relate to liability balances on current accounts held with some lenders, also used in the form of overdrafts.

The unsecured loans amounted to Euro 141.8 million of which 13.5 million due within 12 months from the balance sheet date of 31 December 2013.

The short-term debt, due within 12 months from the date of the financial year 2013 amounted to Euro 41.3 million, of which Euro 1.3 million granted in the form of overdraft. The medium / long-term loans amounted to Euro 100.5 million and the instalments due within 12 months from the end of the year amounted to Euro 10.1 million.

Amounts owed to financial institutions amounted to Euro 25.3 million and are represented by payables to leasing companies accounted for according to IAS 17 for Euro 7.9 million and the other significant amount is represented by payables to related parties for an equity investment purchase.

At 31 December 2013, the Issuer has not outstanding bank credit subject to collection.

With reference to loans related to loan agreements, it should be noted that some of these contracts include cross-default clauses, financial covenants and obligations of prior authorization for organizational changes (ex. regarding the by-laws). If the Issuer was in default in respect of other loan agreements or did not comply



with the aforementioned financial covenants, or made these changes without authorization, such factors may cause the termination of such contracts. If the relevant banking institutions decided to make use of these termination clauses, the Issuer may have to repay these loans on a date earlier than that contractually agreed upon, with potential adverse effects on its economic and financial position. If its issuing banks decided to revoke the lines in view of the above, this could have a potential negative impact on the economic and financial condition of the Issuer and Gruppo Finanziaria Internazionale.

#### **Risks associated with overdue debts and failure to comply with the objectives of the business plan 2013 -2015**

The determinations of the administrative body are based on the assumption that Gruppo Finanziaria Internazionale continues deleveraging started in 2011, and meets the objectives of the business plan 2013-2015 both in terms of expected revenues and unfreezing of assets expected both within the time and market values predicted.

The objectives identified in the business plan of the Issuer, although reasonable, are based on assumptions of realization of future events and actions to be undertaken by the administrative body of the Issuer. Therefore, it is necessary to take into account the uncertainty related to the realization of such future events (both with regard to the materialisation of the event and in terms of the extent and terms of its occurrence).

Any failure to achieve, even in part, the goals set forth may result in the need to revise the terms and / or the time frame for compliance with those commitments, with consequent significant negative effects on the economic situation and financial position of the Issuer.

#### **Risks associated with failure or delay to achieve the implementation of the business strategy**

The Issuer intends to pursue a strategy of growth and development focused in particular on the consolidation and increase of market share of each of the business areas in which Gruppo Finanziaria Internazionale operates.

If the Issuer is unable to effectively implement its strategy or to implement it on time, or if the basic assumptions on which the strategy is based are incorrect, the Issuer's ability to increase its revenues and profitability may be affected and this could have an adverse effect on activity and on the growth prospects of the Issuer, as well as on its economic and financial position.

#### **Rights of individual Instrumentholders**

The right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the procedure provided by Condition 17.3. This could have a negative impact on the right of Instrumentholders to enforce their rights under the Instruments.

### **RISK FACTORS RELATED TO THE SECTOR IN WHICH THE ISSUER OPERATES**

#### **Risks related to the market in which it operates**

The risks related to the sector of activity of Gruppo Finanziaria Internazionale should be declined per business units:

- (1) BPO area: the markets in which the BPO business unit operates are related to leasing and automotive, mortgages and loans, credit management and lean P&O consultancy.

In these last years, economic stagnation and declining investments have generated a sharp decrease in demand for leasing and induced households not to engage in additional financial

commitments and mortgages. However, from the last months of 2013 signs of a slow economic recovery can be noted and the leasing market has grown of 2%.

The crisis of the automotive industry registered a negative performance comparing with previous year; however in December 2013 the first movements of market growth after 49 months of decrease have been registered. In the same way mortgage applications also showed a market decreases for 3.6%. Comparing the performance of the requests in the first months of the year 2014 with the same periods of the previous years, there is an increase of 18% compared to 2013.

In this very complex context, the BPO area of Gruppo Finanziaria Internazionale has obtained, in 2013, lower results comparing with previous year but satisfactory with the market situation. These successes are also the result of an internal organization certified ISO 9001 and rigorous to limit costs, in order to maintain the margin on individual services.

Satisfactory results were also achieved by the companies that deal with credit management thanks to the good results achieved for the NPL recovery related to commercial companies owned by Gruppo Finanziaria Internazionale. Analysing the market in this sector it can be seen that the practices of non-performing loans increased as a result of the increase in bankruptcy but it should also be noted that credit quality deteriorated recording more difficulty in collecting debts under insolvency procedures.

- (2) **Corporate Finance & Asset Management:** the business unit is active in the areas of structured finance, asset and wealth management, corporate finance and private equity.

The role and powers of the financial world following the crisis are being redefined by the central supervisory bodies. It is difficult to determine the overall impact that the standards for study and the effects of the recession will have on the securitisation market. The two main aspects that could help a recovery in the Italian securitisation market will be on the one hand the growing awareness by supervisory bodies of the important role that securitisation can still play and on the other hand the push for so-called banking disintermediation. At the same time assurance and control systems on ABS securities that allow greater transparency will further develop, in order to reconnect and restore the confidence of investors in these alternative forms of investment.

The asset management market is currently in a difficult and uncertain situation where strategic risk is identified by the regulations as the current or prospective risk of impact on earnings or capital arising from changes in the operating environment or wrong management decisions, inadequate implementation of decisions, lack of responsiveness to changes in the competitive environment.

- (3) **Property Investments Area:** In this business unit market risk could be implicit in the event that the value of a financial instrument or of an investment will fluctuate as a result of changes in market prices, interest rates and exchange rates, whether changes result from factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in that market. This may lead to the possibility that Gruppo Finanziaria Internazionale may generate less revenue than expected and impairment losses.

To mitigate the market risk, Gruppo Finanziaria Internazionale has management tools and reporting standards which allow monitoring on a periodic basis the performance of its core business, the measurement of changes in the market on the results of the Business Areas and the taking of any action in support of the same.

### **Risks related to competition**

The Issuer and Gruppo Finanziaria Internazionale of origin operate in a competitive environment which puts them in competition with Italian and multinational companies with greater financial resources than the Issuer



and Gruppo Finanziaria Internazionale. If the Issuer and Gruppo Finanziaria Internazionale, due to an increasing number of its direct competitors, were not able to maintain competitive strength in the market, there could be negative effects on the growth prospects of the Issuer and Gruppo Finanziaria Internazionale, as well as on the economic and financial position.

#### **Risks related to the current economic situation**

The continuing crisis in the banking system and financial markets, and the resulting deterioration of macroeconomic conditions that have registered a decline in consumption and industrial production in the world have had the effect of restricting the conditions for access to credit, stagnation of investments, a low level of liquidity in financial markets, and extreme volatility in equity and bond markets.

The results of Gruppo Finanziaria Internazionale may be influenced, among other things, by the continuing economic crisis and / or the occurrence of more and more critical issues of the markets, which may influence the course of the same.

#### **RISK FACTORS RELATING TO THE LISTING OF THE INSTRUMENTS**

##### **The Instruments may not be a suitable investment for all investors**

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

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

##### **Risks related to the structure of a particular issue of the Instruments**

Set out below is a description of the most common such features of the Instruments that may be issued under the Programme:

##### **Interest rate risk**

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

The investment in the Instruments involves the "market" risk factors of an investment in debt securities at a fixed rate. Fluctuations in interest rates in the financial markets affect the price and thus the performance of the Instruments, the more so if its remaining life is longer. Therefore, in case of sale of the Instruments prior to maturity, their market value may be lower, even significantly, than its subscription price and the income of

such sale could be lower, even significantly, than the amount initially invested or significantly lower than that assigned to the Instruments at the time of acquisition considering maintaining the investment until maturity.

#### **Instruments issued at a substantial discount or premium**

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

*Set out below is a brief description of certain risks relating to the Instruments generally:*

#### **Risks associated to trading on ExtraMOT PRO, the liquidity of markets and the potential volatility of the price of the Instruments**

The Issuer has applied for admission to trading of the Instruments at the ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., reserved only for professional investors, as defined in the regulations for the management and operation of the ExtraMOT Market issued by the Italian Stock Exchange, effective from June 8, 2009 (as amended and supplemented from time to time) (the "**ExtraMOT Market Regulations**"), the only ones admitted to trading on such market.

The Instruments will not be secured by a specialist (as defined in the ExtraMOT Market Regulations).

Therefore, professional investors who intend to divest the Instruments prior to their natural expiration may have difficulty in finding a counterparty and thus liquidate the investment, with the consequent risk of obtaining a value lower than the subscription. In fact, the selling price will be influenced by several factors, including:

- (a) changes in interest rates and market ("*Interest rate risk*");
- (b) characteristics of the market in which the securities will be traded ("*Liquidity risk*");
- (c) variation of the creditworthiness of the Issuer ("*Risk of deterioration in the creditworthiness of the Issuer*"), and
- (d) fees and charges ("*Risk associated with the presence of commissions and other charges in the issue price*").

As a result, in drawing up their financial strategies, investors must take into account that the duration of the investment could match the duration of the Instruments. On the other hand, these factors do not affect the redemption value at maturity, which is equal to 100% of the nominal amount of the relevant Instruments.

#### **EU Savings Directive**

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

Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

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

If payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither of the Issuer, the Agent nor any other person would be obliged to pay additional amounts with respect to any Instruments as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

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

The U.S. has issued complex regulations under the Foreign Account Tax Compliance ("FATCA") provisions of the Hiring Incentives to Restore Employment Act of 2010. In some circumstances these regulations may require withholding of U.S. tax at a rate of 30 per cent. on all, or a portion of, certain payments including, among others, payments on debt or equity securities or the proceeds of sale of such securities.

If the Instruments are treated as debt for U.S. federal tax purposes and are issued on or before the date that is six months after the date on which final regulations that define "foreign passthru payments" are published, they should be "grandfathered" and FATCA withholding would not be required with respect to interest, principal or other payments on the Instruments or the proceeds of sale of the Instruments unless the Instruments are substantially modified after that date.

If the Instruments are not grandfathered it is possible that U.S. tax regulations issued in the future might require the Issuer and any non-U.S. financial institutions through which payments on the Instruments are made to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made in respect of the Instruments after 31 December 2016. Such withholding may be required if the Issuer, which will be a foreign financial institution ("FFI") (as defined in FATCA) or any of the non-U.S. financial institutions through which payments are made enters into and complies with an agreement with the U.S. Internal Revenue Service ("IRS") (or an equivalent arrangement provided for under a law implementing an intergovernmental approach to FATCA) to provide certain information on its account holders (making the Issuer and any such non-U.S. financial institutions a "Participating FFI" within the meaning of FATCA), and (i) the Issuer has a positive "passthru payment percentage" (as determined under FATCA), and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS, or (c) any FFI that is an investor, or through which payments on the Instruments are made, is not a Participating FFI.

It is not clear if or when such regulations might be issued nor the requirements that might be set out in such regulations.

On 10 January 2014, representatives of the governments of Italy and the United States signed an intergovernmental agreement to implementing FATCA in Italy (the "IGA"). The FACTA agreement between Italy and the United States entered into force on 1<sup>st</sup> July 2014. In order to enter in force, the agreement reached between Italy and the United States must be however ratified by the Italian Parliament through an Italian law provision and the relevant implementing provision shall hence subsequently be approved.



If an amount in respect of FATCA or as required under an intergovernmental approach to FATCA were to be deducted or withheld from interest, principal, or other payments on the Instruments, none of the Issuer, the Agent or any other person would, pursuant to this Information Memorandum or any other agreement entered into by the Issuer in the context of the Programme, be required to pay additional amounts or otherwise indemnify a Instrumentholder as a result of the deduction or withholding of such tax and Instrumentholders might receive less interest or principal than expected.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE INSTRUMENTS, AND THE INSTRUMENTHOLDERS IS UNCERTAIN AT THIS TIME. THE ABOVE DESCRIPTION IS BASED IN PART ON REGULATIONS AND OFFICIAL GUIDANCE THAT IS SUBJECT TO CHANGE. EACH POTENTIAL INSTRUMENTHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH INSTRUMENTHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

#### **Risk related to the deterioration of the creditworthiness of the Issuer**

In the event of any evaluation of the Instruments made by persons other than the Issuer, cannot be ruled that the price of the Instruments may suffer adverse changes in case of worsening of the financial situation of the Issuer; it cannot be ruled out that the price of the Instruments in the secondary market may be influenced, by a different appreciation of the risk of the Issuer or deterioration of its creditworthiness.

#### **Risk linked to the occurrence of events beyond the control of the Issuer**

Events such as the approval of the financial statements or semi-annual report of the Issuer, press releases or changes in general market conditions may significantly affect the market value of the Instruments. In addition, fluctuations in the market, as well as general economic and political conditions may adversely affect the market value of the Instruments, regardless of the creditworthiness of the Issuer.

#### **Risk resulting from changes to the tax system**

All tax liabilities, present and future, that are applicable to payments made pursuant to and in respect of the Instruments, are the exclusive responsibility of the relevant Instrumentholder. There is no certainty that the tax regime applicable on the date of approval by the Issuer of this Information Memorandum shall remain unchanged during the life of the Instruments, with possible adverse effect on the net return expected from the Instrumentholder.

#### **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including interest rate risk and credit risk:

##### **The secondary market generally**

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

### Interest rate risks

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

### Risk related to the absence of a rating of the Instruments

The risk related to the absence of rating of the Instruments is the risk related to the lack of a synthetic indicator of the riskiness of the Instruments. The Issuer has not requested any judgement for the Instruments to be offered, so that there is no immediate availability of a synthetic indicator representing the risk of the Instruments. It should however be taken into account that the absence of rating of the Instruments does not represent the riskiness of the Instruments.

### Legal investment considerations may restrict certain investments

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

## GENERAL TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following is the text of the terms and conditions of the Instruments (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "**holder**" of the Instruments or "**Instrumentholder**" are to the ultimate owners of the Instruments, dematerialised and evidenced by book entries with Monte Titoli S.p.A. in accordance with the provisions of (i) Article 83-bis et seq. of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and the relevant implementing regulations, and (ii) Bank of Italy and CONSOB Regulation dated 22 February 2008.*

*In addition, the applicable Contractual Terms in relation to any Series of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Series. "Contractual Terms" means the duly completed version of the form of contractual terms included in the Information Memorandum.*

### 1. Description of the type and the class of the Instruments

The Instruments which may be offered and/or listed under the Programme by Finanziaria Internazionale Holding S.p.A. are commercial paper (*cambiali finanziarie*) instruments (the "**Instruments**" or "**Cambiali Finanziarie**") issued pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134 (the "**Law 43**").

The Instruments are negotiable money market instruments of the Issuer, issued pursuant to Law 43.

### 2. Maximum Amount of the Programme

The outstanding principal amount of the Instruments will not exceed €250,000,000 (or equivalent in any other Currency) at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.

### 3. Programme Termination

The Programme will terminate on 31 December 2024, being understood that such term is not to be referred to the validity of this Information Memorandum which shall be updated, supplemented and renewed by the Issuer in accordance with the applicable listing rules.

### 4. Minimum denomination of the Instruments

The minimum denomination for the Instruments is € 100,000 or equivalent in any other Currency, subject to compliance with any applicable legal and regulatory requirements. The minimum denominations of the Instruments denominated in a Currency other than Euro will be equal to €100,000 (determined by reference to the relevant spot rate of exchange on the issuance date of the relevant Instruments. Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.

### 5. Remuneration and Redemption

The Instruments will be interest bearing or discounted as specified in the Contractual Terms applicable to the relevant Instruments. Interest bearing Instruments will pay interest at such rates and on such Interest Payment Dates as may be agreed between the Issuer and the relevant Dealer(s). Discounted Instruments will be offered and sold at a discount to their nominal amount and will not bear interest.

Each Instrument will be redeemed at its Redemption Amount on the applicable Maturity Date as specified in the relevant Contractual Terms. The Instruments may not be subject to early redemption.

**6. Business days for payments**

Days on which banks are open for business (i) in Rome, Milan and TARGET for euro or (ii) in Rome, Milan, the relevant Financial Centres and London for other currencies.

**7. Currency of the Instruments**

The Instruments may be denominated in Euro, U.S. Dollar, Sterling or any other applicable currency as specified in the Contractual Terms.

**8. Possible ranking clauses relating to the Instruments**

The Instruments are not subordinated and rank *pari passu* with other current and future senior instruments of the Issuer. The Instruments are unguaranteed and unsecured obligations of the Issuer, i.e. the repayment of the Instruments and the payment of the coupons are not secured by any specific guarantee and no commitments have been made in relation to the undertaking of guarantees for the successful outcome of the Bond Issue.

The rights relating to the Instruments rank *pari passu* with present or future unsecured instruments of the Issuer.

Therefore, the credit of the subscribers of the Instruments *vis-à-vis* the Issuer shall be satisfied *pari passu* together with the other unsecured and unguaranteed indebtedness of the Issuer.

**9. Taxation**

All payments of principal and interest in respect of the Instruments by the Issuer will be made without withholding or deduction for or on account of any taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of the Instruments to cover the amounts withheld or deducted.

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.

**10. Issue Price**

Each Instrument is issued at a nominal value of € 100,000 and may be subscribed at a price to be specified in the relevant Contractual Terms from time to time.

**11. Issue Date and Maturity Date**

The Issue Date and the Maturity Date of the Instruments shall be specified in the relevant Contractual Terms from time to time.

**12. Form of the Instruments**

The Instruments to be issued under the Programme will be in bearer form and will be held in dematerialised form. The Instruments issued in dematerialised form will be held on behalf of their

ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("**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. Each Series of Instruments issued in dematerialised form will be deposited with Monte Titoli on the relevant Issue Date.

The Instruments issued in dematerialised form will at all times be held in book entry form and title to the Instruments issued in dematerialised form will be evidenced by book entries in accordance with the provisions of Article 83-*bis et seq.* of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and implementing regulation and with the joint regulation of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy dated 22 February 2008 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 4 March 2008, No. 54, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Instruments issued in dematerialised form.

### 13. **Regime of circulation of the Instruments**

In compliance with Law 43, the Instruments can be issued and transferred only in favour of qualified investors pursuant to article 100 of the Italian Financial Services Act, which are not, directly or indirectly, partners of the Issuer, pursuant to article 1, paragraph 2-*bis*, lett. d) of Law 43 ("**Qualified Investors**"). The Instrumentholders have the right to receive payments of principal and interests on each Payment Date (as set out in Condition 4).

### 14. **Lapsing of the rights to principal and interest**

The rights of the holders of the Instruments are barred, with regard to the interests, within five years from the date in which the interests became due and, with regard to the principal, within ten years from the date in which the Instruments became redeemable.

The termination of the right to request payment of interest and principal will be considered to be for the benefit of the Issuer.

### 15. **Notice**

If the Instruments have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana S.p.A., all notices required to be published concerning such Instruments shall be published in accordance with the requirements of Borsa Italiana, if any (and/or of the relevant listing authority, stock exchange and/or quotation system). The Issuer may, in lieu of such publication and if so permitted by the rules of Borsa Italiana, deliver all such notices to Monte Titoli S.p.A. or publish such notices by any other means acceptable to Borsa Italiana.

Unless otherwise provided by any applicable laws and regulations, any communication from the Issuer to the Instrumentholders shall be deemed to be valid if published on the Issuer's website at the following address: [www.finint.com](http://www.finint.com).

### 16. **Meeting of the Instrumentholders**

In order to protect common interests of the Instrumentholders, the provisions of Articles 2415 *et seq.* of the Italian Civil Code relating to the meeting of the bondholders shall apply to the Instruments.

### 17. **Governing law and submission to jurisdiction**

#### 17.1 **Governing law**



The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.

#### **17.2 Submission to jurisdiction**

Any dispute which may arise out of or in connection with the Instruments (including a dispute relating to any non-contractual obligations arising out of or in connection with them), will be submitted to the exclusive jurisdiction of the Courts of Treviso.

#### **17.3 Individual actions and remedies**

Where permitted by applicable law, the right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the following procedure:

- (a) the Instrumentholder(s) intending to bring action or enforce his/her own rights under the Instruments will notify the Issuer of such intention; and
- (b) the Issuer and the Instrumentholder(s) shall use their best endeavours to reach a reasonable agreement among them;
- (c) if no agreement is reached after 10 Business Days following the notification referred in paragraph (a) above, the Instrumentholder(s) will not be prohibited from taking such action or remedy.

Each Instrumentholder is deemed to have accepted and is bound by the provisions of this Condition 17.

## FORM OF CONTRACTUAL TERMS

The Instruments covered hereby are commercial paper (*cambiali finanziarie*) instruments issued pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134.

The Instruments covered hereby have not been registered under the U.S. 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. Terms used above have the meanings given to them by Regulation S under the Securities Act.

Issuer: Finanziaria Internazionale Holding S.p.A.

No:

Series No.:

Issue Date:

Maturity Date<sup>1</sup>:

Specified Currency: [Euro][US Dollar][Sterling] [other]

[Minimum] Denomination:

Principal Amount of the Instruments:

Interest Basis: [Fixed Rate] [Discounted]

[Interest Rate: [ ] per cent. per annum]<sup>2</sup>

[Interest Payment Dates: ]<sup>3</sup>

Redemption Amount: [at par]

[Day Count Fraction: ]

[Day adjustment basis]<sup>3</sup>

Issue Price:

[Reference Rate: LIBOR/EURIBOR]<sup>34</sup>

### Listing and Admission to Trading

Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., with effect from [ ]]

Estimate of total expenses of admission to trading:

Euro [ ]

### Ratings

Ratings:

Not Applicable

<sup>1</sup> Not less than 1 month and not more than 18 months after the Issue Date.

<sup>2</sup> Complete for fixed rate interest bearing Instruments only.

<sup>3</sup> Complete for interest bearing Instruments if interest is payable before the Maturity Date.

<sup>4</sup> Delete as appropriate. The Reference Rate should always be LIBOR unless the Instrument is denominated in Euro and the Issuer and the relevant Dealer agree that EURIBOR should be used instead

## 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.

## Operational Information

Clearing and Settlement System(s)

[Monte Titoli] [ ]

ISIN:

[ ]

Common Code:

[ ]

## Tax treatment of the Instruments

All payments in respect of the Instruments may be subject to the substitutive tax set forth by Decree No. 239 at a rate of 26%.

## Placement

Placement:

[Issuer] / [Dealer(s)]

[Dealer(s):]

[ ]

## Additional Information in relation to the Instruments

[ ]

## Additional Information in relation to the Issuer

[ ]

Please also refer to the information relating to Issuer published from time to time on the following website: [www.finint.com/it/investor-relations/bilanci-relazioni.php](http://www.finint.com/it/investor-relations/bilanci-relazioni.php) where the financial information relating to the Issuer is published.



## GENERAL INFORMATION

### Approval of the Programme

The Programme was approved and authorised by written resolution of the Board of Directors of the Issuer dated 11 July 2014 and approved and ratified by the Extraordinary Shareholders' Resolution of the Issuer dated 30 July 2014.

### Clearing and Settlement of the Instruments

The Instruments issued in dematerialised form will be accepted for clearance through Monte Titoli. The relevant Contractual Terms shall specify (i) any other clearing and settlement system as shall have accepted for clearance the relevant Instruments issued in dematerialised form, together with any further appropriate information or (ii) with respect to the Instruments issued in any of the other forms which may be indicated in the relevant Contractual Terms, the indication of the agent or registrar through which payments to the holders of the Instruments will be made.

The registered office of Monte Titoli S.p.A. is at Via Mantegna 6, Milan, Italy.

### Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Instruments of each Series will be specified in the Contractual Terms relating thereto.

### Taxation

The tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price, if any) deriving from the Instruments, which are listed on the ExtraMOT Pro, is regulated by the Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**"). For a summary of the tax regime applicable to the Instruments please refer to the paragraph "*Taxation applicable to the Instruments*" below. In any case, investors are advised to consult their own professional advisers regarding the possible tax consequences arising from the investment in the Instruments. Investors are liable for their own taxes and have no recourse to the Issuer save as otherwise provided in Condition 9 (*Taxation*) and subject to the exceptions and exclusions set out therein.

### Litigation

Save as disclosed in this Information Memorandum, the Issuer is not or has not been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

### No significant change and no material adverse change

Since 31 December 2013, there has been neither material adverse change nor significant change in the financial position or situation or the prospects of the Issuer.

### Material contracts

The Issuer has not entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to either Issuer's ability to meet its obligations to Instruments' holders.

### **Documents available for inspection**

For so long as the Programme remains valid or any Instruments shall be outstanding, copies and, where appropriate, the following documents (translated into English, where applicable), in electronic or physical form, may be obtained by the public during normal business hours at the registered office of the each Issuer, namely:

- (a) this Information Memorandum and any supplements to this Information Memorandum (together with any information memorandums published in connection with any future updates in respect of the Information Memorandum) and any other documents incorporated herein or therein by reference;
- (b) a certified copy of the constitutive documents of the Issuer;
- (c) any supplemental agreement prepared and published in connection with the Programme;
- (d) 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 ended 31 December 2013;
- (e) 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 ended 31 December 2012.

### **Language of the Information Memorandum**

The language of the Information Memorandum is English. Any foreign language text that is included within this document has been included for clarity purposes and does form part of the Information Memorandum.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates, including parent companies, may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including the provision of loan facilities and/or securitisation transactions) and other related transactions with, and may perform advisory, financial and/or non-financial services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of business the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans and/or ABS securities or similar securities) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" also includes parent companies.

## TAXATION APPLICABLE TO THE INSTRUMENTS

### 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 Instrument. 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 Instruments and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Instruments, some of which may be subject to special rules. The following summary does not discuss in details the treatment of Instruments 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 the Instruments 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 the Instruments and receiving payments of interest, principal and/or other amounts under the Instruments, 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 Instruments.*

### Italian Tax treatment of the Instruments

The tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price, if any) (hereinafter collectively referred to as "**Interest**") deriving from the Instruments issued by Finanziaria Internazionale Holding S.p.A. is regulated by the Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**").

For these purposes, reference to the Instruments is made to securities not giving 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 Holders

Pursuant to Decree No. 239, payments of Interest relating to the Instruments is subject to a final *imposta sostitutiva* (i.e. a final tax withheld at source and replacing all income taxes otherwise due on the Interest) levied at 26% if the holder of the Instruments is:

- (i) an individual resident in the Republic of Italy for tax purposes, holding the Instruments otherwise than in connection with entrepreneurial activities, unless he has entrusted the management of their financial assets, including the Instruments, 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.

In the event that the Italian resident holders mentioned above hold the *Instruments* in connection with an entrepreneurial activity (*attività d'impresa*), the *imposta sostitutiva*, levied at 26%, applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

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

Where the *Instruments* 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 holder of the *Instruments*.

Payments of Interest in respect of *Instruments* will not be subject to the *imposta sostitutiva*, to the extent that the *Instruments* are deposited in a timely manner, directly or indirectly, with an Intermediary, if made to beneficial owners who are, *inter alia*

- (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the *Instruments* are effectively connected, which are subject to tax in Italy in accordance with ordinary tax rules. In such a case, Interest accrued on the *Instruments* must be included in the relevant holder's annual corporate taxable income (and in certain circumstances, depending on the "status" of the holders of the *Instruments*, also in the net value of production for purposes of regional tax on productive activities ("**IRAP**"));
- (ii) Italian resident individuals holding *Instruments* otherwise than in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the *Instruments*, to an authorised financial intermediary and have opted for the Asset Management Option. In such a case 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 *Instruments*) is subject to an annual substitutive tax of 26% (the "**Asset Management Tax**");
- (iii) an Italian investment funds (which includes *Fondi Comuni d'Investimento*, or SICAV), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the "**Funds**"). In such a case, Interest accrued on the *Instruments* are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax may apply in certain circumstances at the rate of up to 26% on distributions made by the Fund;
- (iv) an Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005. In such a case, Interest are not subject to *imposta sostitutiva*, but must be included in the pension fund's annual net accrued result that is subject to an 11% annual substitutive tax (increasing to 11.5% for the sole fiscal year 2014) (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the *Instruments*);
- (v) an Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the "**Real Estate Investment Funds**"). In such a case, Interest in respect of the *Instruments* are subject to neither to *imposta sostitutiva* nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstances at the rate of up to 26% on distributions made by Real Estate Investment Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund owning more than 5% of the fund's units; and

- (vi) **Non-Italian Resident Holders.** Where the holder of the Instruments is a non-Italian tax resident entity (with no permanent establishment in the Republic of Italy to which the Instruments are effectively connected), Interest payments relating to the Instruments are generally not subject to *imposta sostitutiva* provided that the conditions set forth by Article 6, paragraph 1, of Decree No. 239 are met. In particular such provision requires that:
- (a) 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 Presidential Decree No. 917 of 22 December 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 *imposta sostitutiva* are timely met and complied with.

To ensure payment of Interest in respect of the Instruments without the application of *imposta sostitutiva*, gross recipients must (i) be the beneficial owners of payments of Interest on the Instruments; (ii) timely deposit the Instruments together with the coupons relating to such Instruments, 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.

Any positive difference between the nominal amount of the Instruments 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 Instruments would be treated as part of the taxable business income (and, in certain cases depending on the status of holder of the Instruments, 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 holders of the Instruments who are:

- (a) Italian resident corporations;
- (b) permanent establishments in Italy of foreign corporations to which the *Instruments* 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 Decree No. 461, any capital gain realised upon sale for consideration or redemption of the Instruments by Italian resident individuals, holding Instruments otherwise than in connection with entrepreneurial activity, and certain other persons would be subject to a substitute tax levied at 26%.

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 investors, holding Instruments otherwise than in connection with entrepreneurial activity, pursuant to all disposals of Instruments carried out during any given tax year. Italian resident individuals holding Instruments 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 deriving from the Instruments may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years.

As an alternative to the tax return regime depicted above, Italian resident individual investors holding Instruments otherwise than in connection with entrepreneurial activity may elect to pay 26% substitute tax separately on capital gains realised on each sale, transfer or redemption of the Instruments (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Instruments 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 holder of the Instruments. The financial intermediary is responsible for accounting for substitute tax in respect of capital gains realised on each sale, transfer or redemption of the Instruments (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 holder of the Instruments. Under the *Risparmio Amministrato* regime, where a sale, transfer or redemption of the Instruments results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the holder of the Instruments is not required to declare capital gains in its annual tax return and remains anonymous.

Any capital gains on Instruments 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, and will be 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 decrease in value of the managed assets including the Instruments, 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 holder of the Instruments is not required to report capital gains realised in its annual tax return and remains anonymous.

The 26% substitute tax on capital gains may, in certain circumstances, be payable on capital gains realised upon sale for consideration or redemption of the Instruments by non-Italian resident persons or entities without a permanent establishment in Italy to which the Instruments are effectively connected, if the Instruments are held in Italy.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Instruments are effectively connected through the sale for consideration or redemption of Instruments are exempt from taxation in Italy to the extent that the Instruments 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 Instruments are deposited, even if the Instruments are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

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

- (a) pursuant to the provisions of Decree No. 461, of Law Decree No. 350 of 25 September 2001 and of Decree No. 239, non-Italian resident beneficial owners of the Instruments with no permanent



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

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Instruments deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident holders of Instruments 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.

#### **Stamp duty**

Pursuant to Article 1-bis, para 5 of Law 43, commercial papers issued in a dematerialized form, such as the Instruments, are exempt from the stamp duty governed by Presidential Decree No. 642 of 26 October 1972.

Pursuant to Article 19, para. 1, of Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, as subsequently amended ("**Decree No. 201**"), and as clarified by Circular 4/E of 5 March 2013 of the Italian Tax Authorities, a proportional stamp duty applies on an annual basis to the periodic reporting communications related to securities deposited therewith, such as – among others – the Instruments sent by Italian financial intermediaries to their clients (defined as such by the Regulation issued on 9 February 2011 by the Bank of Italy, subsequently replaced by the Regulation issued on 20 June 2012 by the same Bank of Italy, which does not include banks and other financial intermediaries). Such stamp duty currently applies at a rate of 0.20% and is determined on the basis of the market value or – if no market value figure is available – of the nominal value or redemption amount of the securities held. For non individual holders of securities the stamp duty cannot exceed Euro 14.000 with effect from fiscal year 2014.

#### **Wealth tax on foreign financial activities**

Pursuant to Article 19, para. 18, of Decree No. 201, Italian resident individuals holding securities (such as Instruments) outside the Italian territory (i.e. without depositing them with an Italian resident financial intermediary) are required to pay a wealth tax at the current rate of 0.20%. This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – of the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the above Italian tax).

#### **Inheritance and gift taxes**



Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities such as Instruments) as a result of death or donation are taxed 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% on the value of the inheritance or the gift exceeding Euro 1,000,000;
- (b) transfers in favour of brothers/sisters are subject to the 6% inheritance and gift tax on the value of the inheritance or the gift exceeding Euro 100,000;
- (c) 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 applied at a rate of 6% on the entire value of the inheritance or the gift; and
- (d) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

### **EU Savings Directive**

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

### **Implementation in Italy of the EU Savings Tax Directive**

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the



withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

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## SELLING RESTRICTIONS

### General

No action has been taken in any jurisdiction by the Issuer or the Dealers that would permit a public offering of the Instruments, or possession of distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Dealer appointed under the Programme will be required to represent and agree that it will only acquire Instruments for the purpose of resale and that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Instruments and it will not directly or indirectly offer, sell, resell, reoffer or deliver Instruments or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations and none of the Issuer or the Dealers shall have any responsibility therefor. None of the Issuer or the Dealers represents that the Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Information Memorandum comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Information Memorandum or any other offering material relating to the Instruments, in all cases at their own expense.

### United States of America

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and the Instruments may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (other than a distributor) and except in transactions exempt from the registration requirements of the Securities Act. Each Dealer appointed under the Programme will be required to represent and agree that it has offered and sold, and will offer and sell, Instruments only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act ("**Regulation S**"). Accordingly, each Dealer appointed under the Programme will be required to represent and agree that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States with respect to the Instruments and that it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer appointed under the Programme will also be required to agree that, at or prior to confirmation of sale of Instruments, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Instruments from it a confirmation or notice to substantially the following effect:

*"The Securities covered hereby have not been 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. Terms used above have the meanings given to them by Regulation S under the Securities Act."*

Terms used in this paragraph have the meanings given to them by Regulation S.

### The United Kingdom

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Instrument which has a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell

the Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, if the Issuer was not an authorised person; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Instruments in, from or otherwise involving the United Kingdom.

### Italy

The offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver the Instruments or distribute copies of the Information Memorandum or of any other document relating to the Instruments in the Republic of Italy, except to qualified investors pursuant to article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"), which are not, directly or indirectly, partner of the Issuer, pursuant to article 1, paragraph 2-*bis*, lett. d) of Law 43 ("**Qualified Investors**") and in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Services Act and Article 34-*ter*, of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**").

In addition, each Dealer appointed under the Programme will be required to represent and agree that any offer, sale or delivery of the Instruments or distribution of copies of the Information Memorandum or any other document relating to the Instruments in the Republic of Italy as specified above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which, subsequent to the issue or the offer of securities in the Republic of Italy, the Bank of Italy may request information regarding the Instruments; and
- (iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or other Italian authority.

### Ireland

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only issued or passed on, and will only issue and pass on, in Ireland or elsewhere, any document received by it in connection with the issue of Instruments to persons who are persons to whom the document may otherwise lawfully be issued or passed on;
- (b) it will not underwrite the issue of, or place, the Instruments otherwise than in conformity with the provisions of the Irish European Communities (Markets in Financial Instruments) Regulations 2007

(Nos. 1 to 3) (as amended) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;

- (c) it will not underwrite the issue of, or place, the Instruments, otherwise than in conformity with the provisions of the Irish Central Banks Acts 1942 to 2011 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (d) it will not underwrite the issue of, place, or otherwise act in Ireland in respect of the Instruments, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) by the Central Bank of Ireland; and
- (e) in connection with offers for sale of any Instrument that is not listed on any stock exchange, it will not offer, sell or deliver any such Instrument to any person in a denomination of less than €500,000. In addition, such Instruments must be cleared through a recognised clearing system.

### **The Grand Duchy of Luxembourg**

The Instruments are not, and will not be, offered or sold to the public in Luxembourg, directly or indirectly, and no offering circular (including the Information Memorandum), prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, Luxembourg, except in circumstances which do not constitute a public offer of securities to the public pursuant to the provisions of the Luxembourg act dated 10 July 2005, as amended, relating to prospectuses for securities.

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**LEGAL ADVISER**

*as to Italian law*

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A handwritten signature in black ink, consisting of a large, stylized 'O' followed by a series of loops and a final flourish.

