



Press Release

**MOODY'S CHANGES OUTLOOK FROM STABLE TO NEGATIVE ON THE RATINGS ON ATLANTIA, AUTOSTRADA PER L'ITALIA AND AEROPORTI DI ROMA**

Rome, 13 December 2016 – Atlantia informs that Moody's, following the change in outlook on the 'Baa2' rating of the Government of Italy – on 7 December from stable to negative – adopted similar decision for the rating outlook on Atlantia, Autostrade per l'Italia and Aeroporti di Roma changing it to negative from stable. Moody's also affirmed the Group companies' ratings detailed as follows:

- Atlantia: 'Baa1' on the EMTN programme guaranteed by Autostrade per l'Italia and 'Baa2' on the new EMTN programme not secured by upstream guarantees from Autostrade per l'Italia.
- Autostrade per l'Italia: 'Baa1' on the issuer rating, the senior unsecured debt and the EMTN programme.
- Aeroporti di Roma: 'Baa1' on the senior unsecured, the senior secured debts and the EMTN programme.

The announcement issued by the ratings agency is attached.

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# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's affirms ratings on five Italian infrastructure companies; changes outlook to negative on four issuers

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Global Credit Research - 12 Dec 2016

London, 12 December 2016 -- Moody's Investors Service has today affirmed the ratings on the following infrastructure issuers domiciled in Italy: Atlantia S.p.A. (Atlantia), Autostrade per l'Italia S.p.A. (ASPI), Aeroporti di Roma S.p.A. (ADR), Concessioni Autostradali Venete - CAV S.p.A. (CAV). At the same time, Moody's has changed the outlook to negative from stable on the ratings on these issuers.

Moody's has also affirmed the rating on SIAS - Societa Iniziative Autostradali e Servizi S.p.A. (SIAS). The outlook on the rating remains stable.

Today's rating actions follow the outlook change to negative from stable on the Italian government's Baa2 debt rating. For further information on the sovereign rating action, please refer to Moody's press release dated 7 December 2016 ([https://www.moodys.com/research/Moodys-changes-outlook-on-Italys-Baa2-issuer-rating-to-negative--PR\\_358690](https://www.moodys.com/research/Moodys-changes-outlook-on-Italys-Baa2-issuer-rating-to-negative--PR_358690)).

A full list of affected ratings is provided towards the end of this press release.

#### RATINGS RATIONALE

##### OVERVIEW OF AFFECTED ISSUERS

- Atlantia S.p.A.: Moody's has affirmed the (P)Baa2 rating on the unguaranteed euro medium-term note (EMTN) programme, the Baa1 senior unsecured ratings and the (P)Baa1 rating on the EMTN programme guaranteed by Autostrade per l'Italia S.p.A.. Moody's has changed the outlook on the ratings to negative from stable.
- Autostrade per l'Italia S.p.A.: Moody's has affirmed the Baa1 issuer rating, the Baa1 senior unsecured ratings and the (P)Baa1 senior unsecured EMTN programme rating. Moody's has changed the outlook on the ratings to negative from stable.
- Aeroporti di Roma S.p.A.: Moody's has affirmed the Baa1 senior unsecured and senior secured ratings and the (P)Baa1 senior unsecured EMTN programme rating. Moody's has changed the outlook on the ratings to negative from stable.
- Concessioni Autostradali Venete - CAV S.p.A.: Moody's has affirmed the A3 rating associated with the company's EUR830 million senior secured amortising bonds, due December 2030. Moody's has changed the outlook on the rating to negative from stable.
- SIAS - Societa Iniziative Autostradali e Servizi S.p.A.: Moody's has affirmed the Baa2 long-term senior secured rating, the provisional (P)Baa2 senior secured and (P)Baa3 senior unsecured MTN ratings associated with the company's EMTN programme. The outlook on the ratings remains stable.

Today's rating actions follow the outlook change to negative from stable on the Italian government's Baa2 debt rating and reflect the pressure on the aforementioned issuers as a consequence of their linkages with the sovereign rating. For more details, see "How Sovereign Credit Quality Can Affect Other Ratings", March 2015.

-- Atlantia S.p.A. --

The change in the outlook to negative from stable reflects Atlantia's rating linkages with the sovereign, given the group's relatively limited international diversification.

Atlantia's ratings continue to reflect the group's strong business risk profile supported by its large size and presence in the toll road and airport sectors. Although about 17% of the group's EBITDA is generated from international activities, Atlantia remains predominantly focused in Italy. This makes the group's credit profile largely driven by the macroeconomic and regulatory environment in its domestic market. The group's consolidated credit quality of Baa1 remains positioned one notch above the Italy's sovereign rating,

recognising: (1) the recent positive traffic trends observed on the Italian motorway networks, (2) the strong credit metrics for its rating category, with funds from operations (FFO)/net debt of 19% as of end-June 2016, and (3) the solid liquidity, given the pre-funding of debt maturities until early-2018.

The (P)Baa2 rating on the €3 billion EMTN programme of Atlantia is one notch below the consolidated credit quality of the group, reflecting the structural subordination of the creditors at the holding company level.

Moody's could change the outlook to stable if: (1) the outlook on the Italian sovereign rating were to revert to stable, or (2) there was evidence that the Atlantia group's performance was sufficiently delinked from the macroeconomic and regulatory developments in Italy, even if hypothetically the sovereign rating were to be downgraded by one notch.

Downward pressure on Atlantia's ratings could develop if: (1) the group's financial profile weakens so that FFO/debt falls below the low teens in percentage terms and FFO interest cover is below 3.5x, (2) there is a material change in the terms and conditions of key concessions or political interference, or (3) there is a material negative pressure on the Italian macroeconomic environment and the government of Italy's sovereign rating.

-- Autostrade per l'Italia S.p.A. --

The negative outlook is in line with the negative outlook on Atlantia's ratings and reflects the group's limited international diversification.

The Baa1 rating reflects the strong fundamentals of ASPI's toll road networks coupled with the recent positive traffic trends in Italy supporting group's deleveraging despite its extensive capital expenditure programme. The rating factors in the credit quality of the Atlantia group, given the linkages and the absence of specific creditor protection features that would isolate ASPI from the wider group.

Moody's could stabilise the outlook if: (1) the outlook on the sovereign rating were to revert to stable, or (2) there was evidence that ASPI's and the Atlantia group's performance were sufficiently delinked from the macroeconomic and regulatory developments in Italy.

A deterioration in the credit quality of Atlantia group would likely put downward pressure on ASPI's ratings. Downward pressure on ASPI's ratings could also develop if there is a material negative pressure on the Italian macroeconomic environment and the government of Italy's sovereign rating.

-- Aeroporti di Roma S.p.A.--

The negative outlook is in line with the negative outlook on Atlantia's rating and reflects the group's limited international diversification.

ADR's Baa1 rating reflects the company's strong fundamentals, given Rome's position as one of Europe's major capital cities and tourist destinations coupled with the expected increase in the company's leverage, given its significant investment needs in the context of the capacity constraints that the Fiumicino airport faces. The rating factors in the credit quality of the Atlantia group, given the linkages and the absence of specific creditor protection features that would isolate ADR from the wider group.

Moody's could stabilise the outlook if: (1) the outlook on the sovereign rating were to revert to stable, or (2) there was evidence that ADR's and the Atlantia group's performance were sufficiently delinked from the macroeconomic and regulatory developments in Italy.

A deterioration in the credit quality of the Atlantia group would likely put downward pressure on ADR's ratings. Downward pressure on ADR's rating could also develop if: (1) the company's financial profile weakens so that FFO/debt drops materially below 20% and FFO interest cover is below 5x, (2) there is an inconsistent implementation of the regulatory and tariff-setting framework, or (3) there is a material negative pressure on the Italian macroeconomic environment and the government of Italy's sovereign rating.

-- Concessioni Autostradali Venete -- CAV S.p.A. --

The change to negative from stable in the outlook on CAV's A3 rating reflects the corresponding change in the Italian sovereign rating outlook. As one of Italy's largest toll road operators, CAV's earnings are fully generated domestically, which in turn means that the company cannot fully insulate itself from the risks associated with a weakened sovereign. At the same time, the current rating differential with the sovereign remains supported by

(1) the continued good operating performance reported on CAV's motorway network; (2) the terms of CAV's financing, with a fully amortising repayment profile of the Bonds, which eliminates refinancing risk; and (3) the additional credit support deriving from the EIB Project Bond Credit Enhancement which provide additional liquidity if required but also enhance recovery for senior lenders, as it acts as first-loss piece in the financing structure. More generally, in addition to a continued strong liquidity profile, CAV's rating positioning vs. the sovereign rating is based on the expectation of regulatory stability in this sector in Italy and that the company will not be subject to significant political interference and/or discriminatory fiscal measures that would materially impact its business and financial risk profile.

The negative outlook on CAV's rating is in line with the outlook on the sovereign rating. A hypothetical downward migration in the Italian sovereign rating could potentially result in a corresponding adjustment of CAV's rating, particularly if associated with a deterioration of traffic and macroeconomic trends. A stabilisation of the outlook associated with the Italian sovereign rating would likely result in a stabilisation of the outlook on CAV's rating. Given the current linkages between CAV's rating and that of the government, an upward move in the sovereign rating, in addition to a strengthening in the company's financial profile (such as a Debt Service Coverage Ratio positioned persistently above 1.7x) and improved stability of the regulatory and tolls framework would be needed in order to exert upward pressure on CAV's rating.

-- SIAS - Societa Iniziative Autostradali e Servizi S.p.A.--

SIAS' consolidated credit quality is currently positioned at the same level as the sovereign Baa2 rating. The affirmation of SIAS' ratings, with a stable outlook, reflects Moody's view that SIAS' ratings could potentially exceed that of sovereign in the event that moderate downward pressure were to materialise on the latter. As Italy's second-largest toll roads operator, SIAS' earnings are fully generated domestically, which in turn means that the company cannot fully insulate itself from the risks associated with a weakening in sovereign credit quality. However, Moody's believes that SIAS' ratings could exceed that of the sovereign, likely within the limit of one notch, reflecting in particular (1) the continued good operating performance recorded on the motorway network managed by the company; (2) a comfortable liquidity profile, with cash balances exceeding EUR900 million as of September 2016; and (3) a diversified debt structure and moderate debt refinancing requirements over the medium term. More generally, SIAS' rating positioning vs. the sovereign rating is also based on the expectation of regulatory stability in this sector in Italy and Moody's view that the company will not be subject to significant political interference and/or discriminatory fiscal measures that would materially impact its business and financial risk profile.

The outlook on SIAS' rating is stable. SIAS's rating could come under downward pressure as a result of (1) a material deterioration of the sovereign and macroeconomic environment in Italy; (2) a weakening in the group's financial profile (i.e. FFO/Debt below the mid-teens on a sustained basis); (3) a deterioration in the company's liquidity position or a material reduction of cash balances held; (4) a material change in the terms and conditions of key concessions, or other public intervention that negatively affects the overall group's business or financial risk profile; or (5) aggressive growth strategy resulting, for example, from large-scale, debt-funded acquisitions or investments in activities other than motorway concessions. In addition to an improvement in the Italian sovereign and macroeconomic environment, a material strengthening of SIAS's key credit metrics from current levels (i.e. FFO/Debt sustainably above 20%), coupled with a continued improvement in traffic trends and a consistent and timely application of tariff and regulatory principles, allowing for full recovery of past tariff deficits and any residual value at concession maturity, would be needed to exert upward pressure on SIAS's rating.

## PRINCIPAL METHODOLOGIES

The principal methodology used in rating Autostrade per l'Italia S.p.A., SIAS - Societa Iniziative Autostradali e Servizi S.p.A., and Concessioni Autostradali Venete - CAV S.p.A. was Privately Managed Toll Roads published in May 2014.

The principal methodologies used in rating Atlantia S.p.A. were Privately Managed Toll Roads published in May 2014, and Privately Managed Airports and Related Issuers published in December 2014.

The principal methodology used in rating Aeroporti di Roma S.p.A. was Privately Managed Airports and Related Issuers published in December 2014.

Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

Atlantia S.p.A. is the holding company for a group active in the infrastructure sector. Its main subsidiaries include Autostrade per l'Italia S.p.A., Aeroporti di Roma S.p.A., and Azzurra Aeroporti S.r.l.. The group's total

revenues amounted to EUR4.1 billion in the nine months ending September 2016.

Autostrade per l'Italia S.p.A. is the country's largest operator of tolled motorways, which together with its subsidiaries, manages a network of 3,020 km of motorways under long-term concession agreements granted by the Italian government. ASPI also holds majority stakes in a number of toll road concessions in Brazil, Chile and Poland. ASPI reported total revenues of EUR2.3 billion in the six months ending 2016.

Aeroporti di Roma S.p.A. is the concessionaire for the Rome airport system. Its total traffic amounted to 46.3 million passengers. ADR reported total revenues of EUR506 million in the six months ending June 2016.

Concessioni Autostradali Venete - CAV S.p.A. operates 74 km of motorway stretches located in the Venice area, in Northern Italy, under a concession expiring in 2032. As of H1 2016, the company reported toll revenues of approximately EUR63 million and EBITDA of EUR46 million.

SIAS - Societa Iniziative Autostradali e Servizi S.p.A. is the second-largest toll road operator in Italy. The company's consolidated domestic network currently consists of 913 km of tolled motorways (as well as additional 104 km currently under construction), operated through eight concessions with maturities ranging from 2017-43. As of Q3 2016, the company reported toll revenues of approximately EUR770 million and EBITDA of EUR523 million.

#### LIST OF AFFECTED RATINGS

##### Affirmations:

..Issuer: SIAS - Societa Iniziative Autostrad.

....Senior Secured MTN Program, Affirmed (P)Baa2

....Senior Unsecured MTN Program, Affirmed (P)Baa3

....Senior Secured Regular Bond/Debenture, Affirmed Baa2

##### Outlook Actions:

....Outlook, Remains Stable

..Issuer: Aeroporti di Roma S.p.A.

....Senior Unsecured MTN Program, Affirmed (P)Baa1

....Underlying Senior Secured, Affirmed Baa1

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa1

##### Outlook Actions:

....Outlook, Changed To Negative From Stable

Issuer: Atlantia S.p.A.

....Senior Unsecured MTN Program, Affirmed (P)Baa2

....BACKED Senior Unsecured MTN Program, Affirmed (P)Baa1

....BACKED Senior Unsecured Regular Bond/Debenture, Affirmed Baa1

##### Outlook Actions:

....Outlook, Changed To Negative From Stable

..Issuer: Autostrade per l'Italia S.p.A.

....LT Issuer Rating, Affirmed Baa1

....Senior Unsecured MTN Program, Affirmed (P)Baa1

...Senior Unsecured Regular Bond/Debenture, Affirmed Baa1

Outlook Actions:

...Outlook, Changed To Negative From Stable

..Issuer: Concessioni Autostradali Venete - CAV S.p.A.

...Senior Secured Regular Bond/Debenture, Affirmed A3

Outlook Actions:

...Outlook, Changed To Negative From Stable

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