



Ministero dell'Economia e delle Finanze
c.a. Direttore Generale del Tesoro, dott. Alessandro Rivera
Via Venti Settembre, 97
00187 Roma
Italy

Raccomandata a mani

Wednesday, 22nd July 2020

Dear Mr. Rivera,

TCI Fund Management (TCI) was founded in January 2004. As of July 2020, the fund managed by TCI had more than \$30 billion of assets under management and is a respected and successful international investor.

We are writing to you regarding Atlantia, the company controlling Autostrade per l'Italia (ASPI). TCI has been a significant investor in the Company for more than 3 years. At our last disclosure to the Italian regulator funds managed by TCI held more than 1pc of the equity of Atlantia in shares and had exposure to more than 5% of the equity in the form of swaps.

The Italian government's illegal actions have caused significant losses to international investors

Our investment in Atlantia was predicated on what was supposed to be a clear, transparent and stable regulatory framework. The regulatory framework was based on (i) specific law provisions and (ii) a concession contract approved by law (to ensure legal certainty and avoid unilateral changes). International investors, such as TCI, allocate their funds in predictable companies, and countries where the rule of law is upheld.

Over the last two years though, the Italian government has repeatedly violated the principles of legal certainty, legitimate expectations and proportionality which are all key pillars of the Italian Constitution and the European Union. There is no doubt that the retroactive and unilateral adoption of the so-called "*Milleproroghe*" decree dramatically affected the value of our investment in Atlantia. To date, no liabilities have yet been legally ascertained, yet institutional investors have suffered significant losses.

The expropriation of Atlantia's stake in ASPI is illegal

As part of the negotiation with the Italian government, Atlantia was forced to choose between

- Selling Atlantia's stake in ASPI to Cassa Depositi e Prestiti (CDP) and potentially other investors; or
- Have the concession illegitimately revoked, thereby having to face lengthy and uncertain litigation proceedings to contest such revocation.

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Mr Di Maio, the Minister for Foreign Affairs, stated that the concession may still be revoked should Atlantia not agree to all the terms and conditions imposed by the Government.

These actions were in blatant breach both the Italian Constitution and EU legal principles. Not only does it violate the principles of legal certainty, legitimate expectations and proportionality but it also constitutes a wilful expropriation which will result in a dramatic impairment of international investors' capital. International investors will no doubt be deterred from direct and portfolio investment into Italy by these actions.

As a result of your violation of Italian and European law and principles, we have filed a formal complaint with the European Commission, which is attached. Based on our prior correspondence with the EU we fully expect them to begin a formal investigation.

Any transaction for Atlantia's stake in ASPI has to be carried out at fair market value through a spin-off of ASPI.

The Italian government has agreed in principle with Atlantia that both the company and its shareholders will reduce or fully exit their ownership of ASPI. It will be impossible to agree a fair market value for ASPI for any transaction unless ASPI is spun off as a separate listed company. We ask you to support the following two stage transaction:

Stage 1 ASPI is spun off to Atlantia shareholders and its non Atlantia shareholders including Allianz. It becomes an independent listed company on the Italian stock exchange.

Stage 2 CDP (and any other investing partners of CDP including international or Italian investors) or other investors can then make a tender offer for whatever percentage of the company they seek at whatever price the market establishes to ensure they achieve the amount of shares which they seek.

The Italian government's current proposals for a capital increase of ASPI at a coercive non market determined price is abusive, non transparent and value destructive. The above proposal is far superior in all respects.

Urgent action is needed

Trust in the Italian Government, stock market and legal system have been significantly damaged by the Government's treatment of Atlantia and must be urgently restored. Any effective expropriation will be challenged by investors in front of competent Governmental and Judiciary bodies, including the European Commission and the European Court of Justice.

Yours sincerely,

Sir Christopher Hohn

Managing Partner

Enc. Complaint EU Commission

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