Subex Limited
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www.subex.com

June 13, 2012

To,

The Vice President
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

Dear Sir/Madam,

Sub: Subex Limited ("Company") announces the launch of up to U.S.$131,100,000 5.70 per cent. secured convertible bonds due 2017(" New FCCBs"), pursuant to a cashless exchange offer for Existing FCCBs (as defined below) ("Exchange Offer"), approved the floor price of shares to be issued on conversion of the FCCBs, approved the opening of the proposed issue and amending the terms of the Existing FCCBs

Please be informed that the Board of Directors of the Company authorized the launch of a cashless exchange offer, involving issuance of up to U.S.$131,100,000 5.70 per cent secured convertible bonds due July 2017, in relation to the outstanding USD 180 million 2% FCCBs due July 9, 2012 and USD 98.7 million 5% FCCBs due July 9, 2012 ("**Existing FCCBs**"), today.

The Board has adopted the floor price in respect of the conversion of the New FCCBs, based on the pricing formula as prescribed by the Ministry of Finance, Government of India, pursuant to its circular dated November 27, 2008, amending the FCCB Scheme, ("**Notification**"), as ₹ 22.79 ("**Floor Price**") per equity share of ₹ 10 each of the Company, ("**Equity Share**") and has taken note that the relevant date for this purpose, in terms of the Notification, is June 13, 2012.

The Board has also accorded its approval for seeking an extension of the maturity date of Existing FCCBs from July 9, 2012 to March 9, 2017 and making other consequential amendments and modifications as may be required. In this regard, meeting of the holders of both the Existing FCCBs have been convened on July 5, 2012 to seek their approval, inter alia for such amendments and modifications in accordance with the provisions of the respective trust deeds.

As communicated earlier, the Company has obtained approval of the RBI for the Exchange Offer and restructuring of Existing FCCBs as aforesaid.

Please find enclosed herewith a copy of the announcement pertaining to launch of the Exchange Offer as aforesaid.

We request to take the aforesaid notification on record and oblige.

Thanking you,

Yours faithfully,

For Subex Limited

SUBEX LIMITED ★ BANGALORE-560 037 ★

Ramanathan J
Vice President- Finance & Company Secretary

ENCL: As above.

NEWS RELEASE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR IN OR INTO THE UNITED STATES OR TO ANY PERSON LOCATED OR RESIDENT IN THE REPUBLIC OF ITALY (SEE "OFFER RESTRICTIONS" BELOW). THIS NEWS RELEASE IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY OR EXCHANGE ANY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION.

13 June 2012

For immediate release

Subex Limited

Up to U.S. $131,100,000 5.70 per cent. secured convertible Bonds due 2017 convertible into ordinary shares of Subex Limited (the New Bonds)

Subex Limited (**Issuer** or the **Company**) has today launched an exchange offer (the **Exchange Offer**) to holders of its outstanding U.S. $ 98,700,000 5.00 per cent Convertible Unsecured Bonds due 2012 convertible into ordinary shares of Subex Limited (the **Existing 5% Bonds**) and the holders of its outstanding U.S. $ 180,000,000 2% Coupon Convertible Unsecured Bonds due 2012 into Equity Shares of Subex Limited (formerly known as Subex Azure Limited) (the **Existing 2% Bonds**, and together with Existing 5% Bonds, the **Existing Bonds**). The Exchange Offer announced herein is being made upon the terms and subject to the conditions described in the Exchange Offer Memorandum dated 13 June 2012 (the **Exchange Offer Memorandum**). Capitalised terms used in this announcement shall have the meaning ascribed to them in the Exchange Offer Memorandum, unless otherwise defined herein.

Background

The New Bonds will be issued pursuant to a cashless offer to exchange any or all of the Existing Bonds for the New Bonds pursuant to the Exchange Offer Memorandum.

Pursuant to extraordinary resolutions passed at meetings of the holders of the Existing 5% Bonds and the Existing 2% Bonds convened by the Company on 6 March 2012, the definition of Maturity Date appearing in Condition 8.1 (as set out in Schedule 1 to the trust deed of the 5% Bond and Schedule 1 to the trust deed of the 2% Bond respectively) was amended from 9 March 2012 to 9 July 2012 (the **First Maturity Date Extension**). The First Maturity Date Extension was sought with a view to providing the Company with adequate time to consider options, finalise and implement a comprehensive restructuring plan in respect of the outstanding Existing 5% Bonds and the Existing 2% Bonds (the **Restructuring Plan**). Since the First Maturity Date Extension, the Company has continued actively to work towards formulating the Restructuring Plan, the two principal components of which may be summarised as follows: (a) the extension of the maturity date and related provisions of both the Existing 2% Bonds and the Existing 5% Bonds to 9 March 2017 pursuant to the Modifications (as referred to in the Exchange Offer Memorandum) and (b) the execution of the Exchange Offer, which is a cashless exchange offer by the Company pursuant to which New Bonds will be issued to those holders of Existing 2% Bonds and Existing 5% Bonds who agree, and are eligible, to participate in the Exchange Offer (as described in more detail in the Exchange Offer Memorandum, which is available to all eligible holders of Existing Bonds).

Rationale for the Exchange Offer

The Restructuring Plan will significantly aid the Issuer in effectively and responsibly dealing with its obligations under the Existing 2% Bonds and the Existing 5% Bonds, and has been formulated to provide a final solution to its current unfavourable debt position. As a consequence of the economic downturn and the highly volatile nature of the global and local capital markets, the trading price of the Issuer's shares has fallen significantly. The share price will need to increase substantially from its present levels in order for it to make economic sense for holders to convert the Existing 2% Bonds and the Existing 5% Bonds into shares of the Issuer. The Restructuring Plan provides an incentive to the holders of the Existing 2% Bonds and the Existing 5% Bonds to exchange their Existing 2% Bonds

and/or (as applicable) Existing 5% Bonds for New Bonds as the conversion right for the New Bonds is likely to be exercisable at a substantially lower price.

The Issuer therefore believes that the Restructuring Plan is the only viable option available to the Issuer to avoid a payment default on the Existing 2% Bonds and the Existing 5% Bonds on 9 July 2012. The Issuer further believes that the Restructuring Plan will enhance investor confidence and improve the image of the Issuer in the international markets and among foreign investors, lenders and its clients by dealing responsibly and in a timely manner with the restructuring of the Existing 2% Bonds and the Existing 5% Bonds. As a part of the Exchange Offer, and also for the purposes of compliance with the listing agreements pertaining to composition of the Board, Mr. Subash Menon will cease to be the Chairman of the Company on the date of issue of the New Bonds and shall continue to be the Founder, Managing Director & CEO of the Company.

Summary of Key Differences between the Existing Bonds and the New Bonds

*The following table sets out in summary form some of the material differences between the terms and conditions of the Existing Bonds and the terms and conditions of the New Bonds, but is not a complete list of all differences (material or otherwise). The terms and conditions of the New Bonds may be further amended and varied dependent on any conditions imposed by the existing lenders of the Issuer pursuant to their consent and approval of the issuance of the New Bonds and related matters. The following table does not include all of the information included in the conditions contained in the existing trust deeds for the Existing Bonds (each an **Existing Trust Deed**) or to be contained in the trust deed for the New Bonds (the **Trust Deed**) and does not contain all of the information required to make an investment decision regarding the Exchange Offer. This information is qualified by reference to the provisions of the conditions contained in the applicable Existing Trust Deed and to be contained in the Trust Deed. Terms used and not defined in respect of the Existing Bonds shall have the same meaning as in the applicable Existing Trust Deed. Terms used and not defined in respect of the New Bonds shall have the same meaning as in the form of the terms and conditions of the New Bonds (the **New Bond Conditions**) included in the Preliminary Offering Circular attached to the Exchange Offer Memorandum as Annex F (the **Preliminary Offering Circular**).*

Condition	**Existing 5% Bonds** ***(current principal amount outstanding: U.S.$54,800,000)***	**Existing 2% Bonds** ***(current principal amount outstanding: U.S.$39,000,000)***	**New Bonds** ***(principal amount proposed to be issued: up to U.S.$131,100,000)***
Maturity Date	9 July 2012 (as amended on 6 March 2012).	9 July 2012 (as amended on 6 March 2012).	Issue date plus 5 years and one day.
Rate of Interest	Fixed rate interest of 5 per cent per annum, payable semi-annually in arrear.	Fixed rate interest of 2 per cent per annum, payable semi-annually in arrear.	Fixed rate interest of 5.70 per cent per annum, payable semi-annually in arrear.
Security	None.	None.	Yes. The obligations of the Issuer under the New Bonds will be secured by (1) certain assets of, and shares in, the Issuer and (2) all the issued share capital of certain subsidiaries of the Issuer, as set out in Condition 1.2 of

			the New Bond Conditions. See further "*Terms and Conditions of the Bonds*" contained in the Preliminary Offering Circular.
Mandatory conversion	Not applicable.	Not applicable.	Yes. See Condition 8.8 of the New Bond Conditions.
Conversion Price per Share as adjusted	Rs. 80.31 per Share.	Rs. 656.20 per Share.	Rs. 22.79 per Share.
Fixed Rs : U.S.$ Exchange Rate upon conversion	Rs. 48.17 = U.S.$1.00.	Rs. 44.08 = U.S.$1.00.	Rs. 56.0545 = U.S.$1.00.
Redemption at premium	Yes, redemption at 142.40 per cent of the outstanding principal amount.	Yes, redemption at 136.04 per cent of the outstanding principal amount.	No, redemption at 100.00 per cent of the outstanding principal amount.
Redemption rights at the option of the Issuer in specified circumstances	Yes.	Yes.	Yes. See Condition 8 of the New Bond Conditions.
Redemption rights at the option of the Holders in specified circumstances	Yes.	Yes.	Yes. See Condition 8 of the New Bond Conditions.
Covenants	Yes.	Yes.	Yes. See in particular Condition 4 of the New Bond Conditions which, among other things, restricts the Issuer from creating new security interests, incurring additional indebtedness, paying dividends or other distributions, or taking numerous other wide-ranging actions (namely, the specific matters listed in Condition 4.4(d)) of the New Bond Conditions without first obtaining a Reserved Matter Approval (as defined in Condition 4.4 of the New Bond Conditions).
Negative Pledge	Yes, restricting security being provided (unless the Existing 5% bonds are secured equally and rateably) in respect of Investment Securities (as defined, and more	Yes, restricting security being provided (unless the Existing 2% bonds are secured equally and rateably) in respect of Investment Securities (as defined, and more	Yes, restricting security being provided in respect of any obligations, subject to certain specific exceptions for existing and permitted indebtedness. See Condition 4.1 of the New Bond Conditions.

	particularly described, in the Existing 5% Bond Trust Deed).	particularly described, in the Existing 2% Bond Trust Deed).	
Events of Default	Yes.	Yes.	See Condition 10 of the New Bond Conditions.
Governing law	English law.	English law.	English law, except that the agreements under which the New Security in India will be created will be governed by Indian law and the agreements under which security will be created over the shares of certain of the Issuer's subsidiaries will be governed by the laws of the jurisdiction of incorporation of each such subsidiary (except that the pledge of shares in Subex Inc. will be governed by New York law). See Conditions 1.2 and 21 of the New Bond Conditions.
Listing	SGX-ST.	Professional Securities Market of the London Stock Exchange plc.	SGX-ST.

Expected Timetable

The times and dates below are indicative only. The actual timetable may differ significantly from the expected timetable set out below. All of the below dates are subject to earlier deadlines that may be set by the Clearing Systems (as defined in the Exchange Offer Memorandum) or any Intermediary (as defined in the Exchange Offer Memorandum).

Date and (if relevant) time	Event
Ongoing	*Announcement of satisfaction of Conditions Precedent (as defined in the Exchange Offer Memorandum) as and when satisfied.*
13 June 2012	*Launch of the Exchange Offer* Exchange Offer announced and notice of the Exchange Offer submitted to the Clearing Systems, BSE, NSE, SGX-ST and published via an RNS. Exchange Offer Memorandum made available to Eligible Holders. Notices of Meeting of Holders to be convened on 5 July 2012 submitted to the Clearing Systems. **Commencement of period during which (1) Holders can submit**

	Electronic Exchange Confirmations through the relevant Clearing System and (2) beneficial owners can submit their Investor Representation Letters to the Dealer Manager by email to the email address set out on the back page of the Exchange Offer Memorandum. The Electronic Exchange Confirmation must be received by the Exchange Agent, and the Investor Representation Letter must be received by the Dealer Manager, by no later than the Cut-off Deadline. Holders who do not do so will not be eligible to participate in the Exchange Offer. ***Any Holder of both Existing 2% Bonds and Existing 5% Bonds that wishes to participate in the Exchange Offer in respect of both its holding of Existing 2% Bonds and its holding of Existing 5% Bonds must submit one Electronic Exchange Confirmation for its holding of Existing 2% Bonds and one Electronic Exchange Confirmation for its holding of Existing 5% Bonds. An Electronic Exchange Confirmation cannot be used in respect of both the Existing 2% Bonds and the Existing 5% Bonds.***
2 July 2012 no later than 4:00 p.m. (London time)	*Cut-off Deadline for Electronic Exchange Confirmations in respect of the Exchange Offer* In order for the Existing Bonds Offered for Exchange to be accepted for exchange on the Settlement Date, (1) Electronic Exchange Confirmations need to be received by the Exchange Agent, and (2) Investor Representation Letters need to be received by the Dealer Manager by email at the email address set out on the back page of the Exchange Offer Memorandum by no later than 4:00 p.m. (London time) on 2 July 2012.
5 July 2012 4:30 p.m. (Singapore time) (for the Existing 5% Bonds) and 5:30 p.m. (Singapore time) (for the Existing 2% Bonds)	Meetings of Holders held.
On or around 5 July 2012	Notice of results of Meetings of Holders submitted to the Clearing Systems, BSE, NSE, SGX-ST and published via an RNS.
On or about 5 July 2012 no later than 4:00 p.m. (London time)	*Announcement of the results of the Exchange* Announcement by the Issuer submitted to the Clearing Systems, BSE, NSE, SGX-ST and published via an RNS as to: (i) the aggregate principal amount of the Existing 5% Bonds and Existing 2% Bonds it accepts for exchange pursuant to the Exchange Offer; (ii) the total aggregate principal amount of New Bonds that it will issue pursuant to the Exchange Offer; and (iii) the total aggregate principal amount of New Bonds that will be mandatorily converted pursuant to Condition 8.8 of New Bond Conditions following completion of the Exchange Offer (including the Conversion Price and basis of the calculation therefor).

On or about 6 July 2012	*Settlement Date* Settlement Date for the issue of New Bonds pursuant to the Exchange Offer in exchange for Existing 5% Bonds and Existing 2% Bonds validly Offered for Exchange and accepted. Existing Bond Conditions (for Existing Bonds that remain outstanding following completion of the Exchange Offer) to be amended pursuant to the Second Supplemental Trust Deeds between the Issuer and the respective Existing Bond Trustee.
On or about 6 July 2012	Notice submitted to the Clearing Systems, BSE, NSE, SGX-ST and published via an RNS that settlement of the New Bonds has taken place, the aggregate principal amount of the Existing 5% Bonds and Existing 2% Bonds that the Issuer has accepted for exchange and the aggregate principal amount of New Bonds issued by the Issuer will be announced. The Modifications (as defined in the Notices of Meeting in the forms attached to the Exchange Offer Memorandum as Annex C (*Form of Notice of Meeting of Holders of Existing 5% Bonds*) and Annex D (*Form of Notice of Meeting of Holders of Existing 2% Bonds*)) take effect.
Commencing on or about 9 July 2012 and ending on 31 July 2012	*Mandatory Conversion Settlement Period* Pursuant to the mandatory conversion of a portion of the New Bonds pursuant to Condition 8.8 of the New Bond Conditions, Shares to be duly listed and distributed to the accounts of relevant holders of New Bonds (as soon as practicable and in any event within 25 days following the issuance of the New Bonds).
6 July 2012	Long-stop Date.

Participating in the Exchange Offer

To offer Existing Bonds for exchange pursuant to the Exchange Offer, a holder should deliver, or arrange to have delivered on its behalf, on or prior to the Cut-off Deadline (a) through the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Electronic Exchange Confirmation for receipt by the Exchange Agent, and (b) a duly executed Investor Representation Letter to be received by email by the Dealer Manager at the email address manu@elaracapital.com.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Bonds whether such intermediary must received instructions to participate in the Exchange Offer before the deadlines specified in the timeline below.

The Exchange Offer Memorandum can be obtained from:

The Company

Subex Limited

Adarsh Tech Park
Outer Ring Road
Devarabisanahalli
Bangalore 560 037
India
Tel: +91 8066963333
Attention: Ramanathan J

The Exchange Agent

The Bank of New York Mellon, London Branch

One Canada Square
London
E14 5AL
Email: eventsadmin@bnymellon.com
Tel: +44(0)20 7694 4958
Fax: +44(0)20 7694 2536

The Exchange Agent does not take responsibility for the contents of this announcement and none of Subex, the Exchange Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Exchange Offer, or any recommendation as to whether holders should offer Existing Bonds in exchange for New Bonds in the Exchange Offer. This announcement must be read in conjunction with, and is subject to, the Exchange Offer Memorandum. No offer to acquire any Existing Bonds is being made pursuant to this new release. Any Exchange Offer is only being made in the Exchange Offer Memorandum and any such exchange or acceptance of the invitation to exchange by Subex should be made solely on the basis of information contained in the Exchange Offer Memorandum. The Exchange Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Exchange Offer. If any holder of Existing Bonds is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent adviser.

Offer Restrictions

Neither this news release nor the Exchange Offer Memorandum constitute an offer or an invitation to participate in the Exchange Offer or a solicitation of directions to vote in favour of an Extraordinary Resolution in any jurisdiction in or from which, or to any person to whom, it is unlawful to make such offer or invitation under applicable laws. The distribution of the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Exchange Offer Memorandum comes are required by each of the Issuer, the Dealer Manager and the Exchange Agent to inform themselves about, and to observe, any such restrictions.

No action has been or will be taken in any jurisdiction by the Issuer, the Dealer Manager or the Exchange Agent that would constitute a public offering of the New Bonds.

General

The distribution of the Exchange Offer Memorandum is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Exchange Offer Memorandum are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. The Exchange Offer Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

The Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Bonds and/or the New Bonds in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Exchange Offer to be made by a licensed broker or dealer, the Exchange Offer shall be deemed to be made on behalf of the Issuer by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

United States

The Exchange Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act). This includes, but is not limited to,

facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded in or into the United States or to U.S. persons and the Exchange Offer cannot be accepted by any such use, means, instruments or facilities or from within the United States or by U.S. persons. Any purported Offer to Exchange Existing Bonds resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported Offer to Exchange made by a resident of the United States or from the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. The Existing Bonds and the New Bonds, and the shares that may be issued upon conversion of the Existing Bonds and the New Bonds, have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of U.S. persons. The purpose of the Exchange Offer Memorandum is limited to the Exchange Offer and the Exchange Offer Memorandum may not be sent or given other than in an offshore transaction in accordance with Regulation S under the Securities Act. Each Holder participating in the Exchange Offer will represent that it is offering its Existing Bonds in an offshore transaction in accordance with Regulation S under the Securities Act and that it is not a U.S. person or an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person.

India

The Exchange Offer is not being made in India. The Exchange Offer Memorandum does not constitute a public offer to buy or the solicitation of an offer to sell the Existing Bonds and/or the New Bonds in India. Persons resident in India are not permitted by applicable law to hold Existing Bonds or New Bonds. Accordingly, Holders are notified that, to the extent Holders are persons residents in India, the Exchange Offer is not available to them and they may not participate in the Exchange Offer and, as such, any Electronic Exchange Confirmation and/or Investor Representation Letter received from such persons shall be ineffective and void, and neither the Exchange Offer Memorandum nor any other offering material relating to the Exchange Offer or the New Bonds may be distributed or made available in India.

Hong Kong

The New Bonds have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong.

No advertisement, invitation or document relating to the Exchange Offer or the New Bonds (including the Exchange Offer Memorandum) has been issued or will be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

The Exchange Offer Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Exchange Offer Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Bonds may not be circulated or distributed, nor may the New Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in

Singapore other than (a) to holders of Existing Bonds pursuant to Section 273(1)(cf) of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**); or (b) pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA

Italy

The New Bonds have not been registered in Italy pursuant to Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and Italian securities legislation and, accordingly, no New Bonds may be offered for exchange or delivered, nor may copies of the Exchange Offer Memorandum or of any other document relating to the New Bonds be distributed in Italy, except:

(i) to the current holders of the Existing Bonds who are qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree no. 58 dated 24 February 1998, as amended (the **Financial Services Act**), as defined in Article 34-ter of Regulation no. 11971 dated 14 May 1999 of *Commissione Nazionale delle Società e della Borsa* (the Italian Securities Exchange Commission, the **CONSOB**), as amended from time to time (*Regulation no. 11971*); or

(ii) pursuant to another exemption from the requirement of Article 94 *et seq.* of the Financial Services Act and Regulation no. 11971, as amended.

Any offer to exchange or deliver the New Bonds or any distribution of copies of the Exchange Offer Memorandum or any other document relating to the New Bonds or the Exchange Offer Memorandum in Italy must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended (the **Banking Act**) and any other applicable laws and regulations;

(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 the Bank of Italy may request information on the issue or the offer of securities in Italy; and

(iii) in compliance with any other applicable laws and regulations or notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

The Exchange Offer Memorandum and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Article 100-*bis* of the Financial Services Act affects the transferability of the New Bonds in Italy to the extent that any placing of the New Bonds is made solely with qualified investors and such New Bonds are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of New Bonds who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the New Bonds were purchased, unless an exemption provided for under the Financial Services Act applies.

Spain

The Exchange Offer is not being made, directly or indirectly, to any resident of Spain other than qualified investors (*Inversores Cualificados*) as defined in Article 39 of the Spanish Royal Decree 1310/2005, of 4 November 2005. The Exchange Offer Memorandum has not been registered with the *Comisión Nacional del Mercado de Valores*. Accordingly, the Exchange Offer Memorandum and any other offering material relating to the Exchange Offer, the Existing Bonds or the New Bonds may only

be distributed or made available in Spain to qualified investors pursuant to and in compliance with Law 24/1988, as amended, Royal Decree 1310/2005, and any regulation issued thereunder.

United Kingdom

The communication of the Exchange Offer Memorandum is not being made by and the Exchange Offer Memorandum has not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. The Exchange Offer Memorandum is only for circulation to persons within the United Kingdom falling within the definition of Investment Professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order.

Belgium

The Exchange Offer is not being made, directly or indirectly, to the public in Belgium. Neither the Exchange Offer nor the Exchange Offer Memorandum has been notified to the Belgian Banking, Finance and Insurance Commission (*Commission bancaire, financière et des assurances*) pursuant to Article 18 of the Belgian law of 22 April 2003 on the public offering of securities (the **Law on Public Offerings**) nor has the Exchange Offer Memorandum been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission pursuant to Article 14 of the Law on Public Offerings. Accordingly, the Exchange Offer may not be advertised and both the Exchange Offer Memorandum and any other information circular, brochure or similar document relating to the Exchange Offer may be distributed, directly or indirectly, in Belgium only to qualified investors referred to in Article 6, paragraph 3 of the Law of 1 April 2007 on public acquisition offers, acting for their own account.

France

This Exchange Offer is not being made, directly or indirectly, to the public in France and only qualified investors (*Investisseurs Qualifiés*) a provider of investment services relating to portfolio management for the account of third parties, all as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 and D.411-3 of the French *Code Monétaire et Financier* are eligible to accept this Exchange Offer. The Exchange Offer Memorandum and any other offering material relating to this Exchange Offer have not been and shall not be distributed to the public in France. The Exchange Offer Memorandum has not been submitted to the clearance of the *Autorité des marchés financiers*.

Switzerland

The New Bonds may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither the Exchange Offer Memorandum nor any other offering or marketing material relating to the Issuer or the New Bonds constitutes a prospectus as that term is understood pursuant to Article 652a or 1156 of the Swiss Federal Code of Obligations, and neither the Exchange Offer Memorandum nor any other offering material relating to the Issuer or the New Bonds may be publicly distributed or otherwise made publicly available in Switzerland. The New Bonds will be offered in Switzerland and the Exchange Offer Memorandum and any prospectus relating to the New Bonds will be distributed or otherwise made available in Switzerland, on a private placement basis only. No application has been made, and no application will be made, for a listing of the New Bonds on the SWX Swiss Exchange, and consequently, the information presented in the Exchange Offer Memorandum does not necessarily comply with the information standards set out in the relevant listing rules. The New Bonds have not been registered, and are not going to be registered, with the Swiss Federal Banking Commission as foreign investment funds, and the investor protection afforded to acquirers of investment fund certificates does not extend to acquirers of the New Bonds. Holders are advised to contact their legal, financial or tax advisers to obtain an independent assessment of the financial and tax consequences of an investment in the New Bonds.

Australia

The Exchange Offer is being made and New Bonds are only available to professional investors as defined in section 9 of the Corporations Act 2001 (Cth) or wholesale clients as defined in section 761G of the Corporations Act 2001 (Cth).

Malaysia

The Exchange Offer is being made and New Bonds are only available to persons within the conditions specified in Schedules 6 and 7 of the Capital Markets and Services Act 2007.

Philippines

The Exchange Offer is being made and New Bonds are only available to persons where the Exchange Offer or subscription of New Bonds constitutes an exempt transaction under the Securities Regulation Code (Republic Act No. 8799).