

**FIRST SUPPLEMENT DATED 11 JANUARY 2017  
TO THE BASE PROSPECTUS DATED 18 NOVEMBER 2016**



**Italgas S.p.A.**  
*(Incorporated with limited liability in the Republic of Italy)*

**€2,800,000,000 Euro Medium Term Note Programme**

This Supplement (the **Supplement**) to the Base Prospectus (the **Base Prospectus**) dated 18 November 2016 constitutes a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Act**) and is prepared in connection with the €2,800,000,000 Euro Medium Term Note Programme (the **Programme**) established by Italgas S.p.A. (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

In accordance with Article 13, paragraph 2 of the Prospectus Act, to the extent applicable, any investors who have already agreed to purchase or subscribe for Notes which have not been issued before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Supplement, to withdraw their acceptances. This right to withdraw shall expire at close of business on 13 January 2017.

#### **PURPOSE OF THE SUPPLEMENT**

The purpose of this Supplement is to (a) update the disclosure in the “*Risk Factors*” section to reflect certain recent developments, (b) update the disclosure in the “*Description of the Issuer*” section to reflect certain recent developments and (c) update the disclosure in the “*Taxation*” section to reflect certain recent developments.

## (a) Risk Factors

The section of the Base Prospectus called "*Risk Factors*" shall be updated as follows:

On page 21 of the Base Prospectus, in the sub-section entitled "*Risks associated with the rating of the Issuer*" the following sentence shall be inserted at the end of the following sentence: "*As at the date of this Base Prospectus, the Issuer's long-term rating is "BBB+ - stable outlook" by Fitch Italia S.p.A. (Fitch) and "Baa1 – stable outlook" by Moody's Investors Service Ltd (Moody's) (each a Rating Agency and together the Rating Agencies).*".

*"On 12 December 2016, following the outlook change by Moody's from stable to negative on Italy's long-term rating, Moody's changed the Issuer's outlook from stable to negative."*

## (b) Description of the Issuer

The section of the Base Prospectus called "*Description of the Issuer*" shall be updated as follows:

On page 100 of the Base Prospectus, in the sub-section entitled "*Overview*", the following sentence shall be inserted at the end of the twelfth paragraph:

*"On 12 December 2016, following the outlook change by Moody's from stable to negative on Italy's long-term rating, Moody's changed the Issuer's outlook from stable to negative."*

## (c) Taxation

The section of the Base Prospectus entitled "*Taxation*" shall be updated as follows:

- (i) On page 154 of the Base Prospectus, in the section entitled "*Italian Taxation*", sub-section "*Interest and other proceeds from Notes that qualify as bonds or instruments similar to bonds*", under the heading "*Italian resident Noteholders*", the following sentence shall be inserted after the first paragraph:

*"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the imposta sostitutiva, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the Finance Act 2017)."*

- (ii) On page 155 of the Base Prospectus, in the section entitled "*Italian Taxation*", sub-section "*Interest and other proceeds from Notes not having 100 per cent. Capital protection guaranteed by the Issuer*", the following paragraph shall be inserted after the second paragraph:

*"Subject to certain limitations and requirements (including a minimum holding period), Italian resident*

*individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the imposta sostitutiva, on interest, premium and other income relating to the Notes not having 100 per cent. capital protection guaranteed by the Issuer if such Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017."*

- (iii) On page 157 of the Base Prospectus, in the section entitled "Italian Taxation", sub-section "Capital Gains Tax", the following paragraph shall be inserted after the second paragraph:

*"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the imposta sostitutiva, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017."*

- (iv) On page 158 of the Base Prospectus, in the section entitled "Luxembourg Taxation", the following words shall be deleted in the second paragraph after the words "(contribution au fonds pour l'emploi),":

*"a temporary budget balancing tax (impôt d'équilibrage budgétaire temporaire)".*

- (v) On page 158 of the Base Prospectus, in the section entitled "Luxembourg Taxation" the following words shall be deleted in the second paragraph after the words "subject to personal income tax,":

*"the temporary budget balancing tax".*

- (vi) On page 159 of the Base Prospectus, in the section entitled "Luxembourg Taxation", sub-section "Withholding Tax", under the heading "Resident holders of Notes", the "10%" referred to in lines 3 and 7 of the second paragraph shall be deleted and replaced in each case with "20%".

- (vii) On page 161 of the Base Prospectus, in the section entitled "Luxembourg Taxation", sub-section "Other Taxes" the second paragraph shall be deleted in its entirety and replaced with the following:

*"However, a fixed or ad valorem registration duty will be required upon registration of the Notes in Luxembourg in the case where the Notes are physically attached (annexé(s)) to a public deed or to any other document subject to mandatory registration, or in case of a registration of the Notes on a voluntary basis."*

## **GENERAL INFORMATION**

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or

incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Copies of the Base Prospectus, this Supplement and all documents incorporated by reference in the Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).