

**FIRST SUPPLEMENT DATED 22 JANUARY 2018  
TO THE BASE PROSPECTUS DATED 9 NOVEMBER 2017**



*(Incorporated with limited liability in the Republic of Italy)*

**€3,500,000,000 Euro Medium Term Note Programme**

This supplement (the **Supplement**) to the base prospectus dated 9 November 2017, (the **Base Prospectus**), 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 €3,500,000,000 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 (having 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 24 January 2018.

**PURPOSE OF THE SUPPLEMENT**

The purpose of this Supplement is to (a) update the section of the Base Prospectus entitled “*Important Information*”; (b) incorporate by reference the Terms and Conditions of the Notes contained in the previous base prospectus dated 18 November 2016, pages 60 to 97 (inclusive), prepared by the Issuer in connection with the Programme; (c) update the disclosure in the “Risk Factors” section to reflect certain recent developments; (d) update the section of the Base Prospectus entitled “*Form of Final Terms*”; and (e) update: (i) the disclosure in the “Description of the Issuer”; (ii) the disclosure in the “Glossary of Terms and Legislation relating to the Issuer”; and (iii) the disclosure in the “Regulatory and Legislative Framework” section to reflect certain recent developments.

## **(a) Important Information**

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

- (i) On page 5 of the Base Prospectus, at the end of the last paragraph in the section "*Important Information*", the following paragraph shall be inserted:

**"MIFID II Product Governance / Target Market – The Final Terms in respect of any Notes may include a legend entitled "MIFID II product governance / Professional investors and ECPs only target market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for a Tranche of Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules."**

## **(b) Terms and Conditions of the Notes contained in the previous base prospectus dated 18 November 2016 relating to the Euro Medium Term Note Programme of the Issuer**

The following information, which has previously been published, filed with and approved by the Commission de Surveillance du Secteur Financier, shall be incorporated by reference in, and forms part of, the Base Prospectus (on page 32 in the section entitled "*Documents Incorporated by Reference*"):

- the Terms and Conditions of the Notes contained in the previous base prospectus dated 18 November 2016, pages 60 to 97 (inclusive), prepared by the Issuer in connection with the Programme.

Any other information not listed in the cross reference list but contained in the base prospectus dated 18 November 2016 is not incorporated by reference as it is either deemed not relevant for an investor or is otherwise covered elsewhere in the Base Prospectus.

This Supplement together with the documents incorporated by reference in this Supplement 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).

## **(c) Risks Factors**

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

- (i) On pages 8 and 9 of the Base Prospectus, in the sub-section entitled “*Market and competition risks. Risks associated with the expiration and renewal of gas distribution concession*”, the last paragraph shall be deleted and replaced as follow:

*“At the date of this First Supplement, 20 invitations were published for a total of 21 ATEMs (Cremona 2 and Cremona 3 were grouped together), of which two were withdrawn, another one has been annulled by a judicial decision (Venezia 1) and five were suspended.*

*Submissions by operators for three tenders (Milano 1, Torino 2 and Belluno) and three pre-qualification requests (Perugia 2, Udine 1 and Udine 3) have occurred.*

*For a further five invitations to tender, the bid submission dates, or rather the pre-qualification request dates, were postponed.*

*Furthermore, it is known that some of the invitations already published were subject to appeal by different operators, which challenged that the abovementioned invitations were not in full compliance with the aforementioned legislation.”*

- (ii) Starting on page 13 of the Base Prospectus, the sub-section entitled “*Risks associated with environmental protection and the restoration of polluted sites*” shall be deleted and replaced as follow:

*“Italgas Reti and its subsidiaries are subject to reclamation obligations relating to certain sites that have been environmentally compromised by activities carried out there in the past, including the distillation of carbon for gas production; the removal and decommissioning of obsolete facilities and machinery and the disposal of material containing asbestos.*

*At 30 June 2017, a provision for risks associated with the reclamation of €134 million was made to cover all the costs and liabilities relating to the fulfilment of requirements set out in the current regulations. This represents the best reliable estimate at the reporting date.*

*Since 2001, the competent authorities have been notified of the risk provision made for each site, based on the amounts established from specific assessments made by engineering companies specialising in the sector. The amount of the provision is adjusted according to determinations, always certified by independent entities, that might emerge during the process of reclamation required by law. It is possible that, during the planning phases for reclamation, the assessment of the risks associated with the site to be reclaimed, and the estimated resources required to implement the relative action plan, will not be sufficient to cover all the costs and liabilities arising from the environmental restoration activities required by law.*

*It is possible, however, that if Italgas Reti and its subsidiaries were to incur costs exceeding the amounts budgeted for or established pursuant to the aforementioned agreements, there would be negative effects on the Italgas Group’s operations, balance sheet and cash flows.”*

**(d) Form of Final Terms**

The section of the Base Prospectus entitled "*Form of Final Terms*" starting on page 41 of the Base Prospectus shall be entirely deleted and replaced as follows:

## “FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Date]

**Italgas S.p.A.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €3,500,000,000  
Euro Medium Term Note Programme**

**PART 1**

### **CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 November 2017 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is/are] available for viewing [at [website]] [and] during normal business hours at the registered office of the Issuer [and copies may be obtained from the registered office of the Issuer]. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated 18 November 2016 which are incorporated by reference in the Base Prospectus dated 9 November 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 9 November 2017 [and the supplements] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 9 November 2017 [[and the supplements] to the Base Prospectus dated [date] [and [date]]]. The Base Prospectus [and the supplements to the Base Prospectus] [is/are] available for viewing [at [website]] [and] during normal business hours at the registered office of the Issuer [and copies may be obtained from the registered office of the Issuer]. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

1. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (as referred to under the introduction to the Terms & Conditions of the Notes)
- (c) Date in which Notes will be consolidated and form a single Series      The Notes will be consolidated and form a single Series with [provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:
  - (a) Series: [ ]
  - (b) Tranche: [ ]
4. Issue Price: [ ]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: [ ]

(as referred to under Condition 1 (*Form, Denomination and Title*))

(N.B. Notes must have a minimum denomination of €100,000 (or equivalent).)

*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*

(b) Calculation Amount: [ ]

(as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

6. (a) Issue Date: [ ]

(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

(as referred to under Condition 4 (*Interest*))

*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

7. Maturity Date: [Fixed rate or Zero Coupon Notes – specify date/

*Floating rate or Inflation Linked Notes – Interest Payment Date falling in or nearest to [specify month and year]]*

8. Interest Basis: [[ ]% Fixed Rate]  
[[[ ] month LIBOR/EURIBOR] +/- [ ]% Floating Rate]  
[Floating Rate: CMS Linked Interest]  
[Floating Rate: Constant Maturity BTP Linked Interest]  
[Zero Coupon]  
[Inflation Linked]  
(further particulars specified below)

9. Redemption Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100%]/[ ]% of their nominal

(as referred to under Condition 6 amount<sup>1</sup>] / [Inflation Linked Redemption (see Item 19)]  
(Redemption and Purchase))

10. Change of Interest Basis: [For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [13/14] applies and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [13/14] applies][Not Applicable]

11. Put/Call Options: [Investor Put]  
  
(as referred to under Conditions 6.3 [Issuer Call] (Redemption at the option of the Issuer (Issuer Call)) and 6.4 (Redemption at the option of the Noteholders (Investor Put)))  
  
[(further particulars specified below)]  
[Not Applicable]

12. Date [Board] approval for issuance of Notes [ ] [and [ ], respectively]]  
obtained  
  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
  
(as referred to under Condition 4.1 (Interest on Fixed Rate Notes))  
  
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Rate(s) of Interest: [ ]% per annum payable in arrear on each Interest Payment Date

(If payable other than annually, consider amending Condition 4 (Interest))

(b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date

(Amend appropriately in the case of irregular coupons)

(c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form.)

(d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]

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<sup>1</sup> Notes will always be redeemed at least 100 per cent. of the nominal value.

(Applicable to Notes in definitive form.)

- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [] in each year [Not Applicable]  
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

**14. Floating Rate Note Provisions:** [Applicable/Not Applicable]

(as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [], subject to adjustment in accordance with the Business Day Convention Set out in (b) below, not subject to any adjustment as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (c) Additional Business Centre(s): []/[Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate and Relevant Financial Centre: [[] month [LIBOR/EURIBOR]/[CMS Reference Rate]/[Constant Maturity BTP Rate].

Relevant Financial Centre: [London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)/New York/specify other Relevant Financial Centre]  
(only relevant for CMS Reference Rate)

Reference Currency: []  
(only relevant for CMS Reference Rate)

Designated Maturity: [ ]  
(only relevant for CMS Reference Rate and for  
Constant Maturity BTP Rate)

Specified Time: [ ] in [ ]  
(only relevant for CMS Reference Rate and for  
Constant Maturity BTP Rate)

- Interest Determination [ ]  
Date(s):  
  
(Second London business day prior to the start of  
each Interest Period if LIBOR (other than Sterling or  
euro LIBOR), first day of each Interest Period if  
Sterling LIBOR and the second day on which the  
TARGET2 System is open prior to the start of each  
Interest Period if EURIBOR or euro LIBOR)  
(in the case of a CMS Rate where the Reference  
Currency is euro or a Constant Maturity BTP Rate):  
[Second day on which the TARGET2 System is open  
prior to the start of each Interest Period]  
(in the case of a CMS Rate where the Reference  
Currency is other than euro): [Second [specify type  
of day] prior to the start of each Interest Period]

- Relevant Screen Page: [ ]  
  
(In the case of CMS Linked Interest Notes, specify  
relevant screen page and any applicable headings  
and captions)  
  
(In the case of Constant Maturity BTP Linked Interest  
Notes, specify relevant screen page[, which is  
expected to be Bloomberg page GBTPGRN Index,  
where N is the Designated Maturity,] and any  
applicable headings and captions)

- Party responsible for [name] shall be the Calculation Agent  
calculating the Rate(s) of  
Interest (if not the Agent):

(g) ISDA Determination: [Applicable/Not Applicable]

- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

(In the case of a LIBOR or EURIBOR based option,  
the first day of the Interest Period. In the case of  
Constant Maturity BTP Linked Interest Notes or CMS  
Linked Interest Notes, if based on euro the first day  
of the Interest Period and if other, to be checked)

(h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for  
the [long/short] [first/last] Interest Period shall be

calculated using Linear Interpolation (*specify for each short or long interest period*)

- (i) Margin(s): [ +/- ] [ ]% per annum
  - (j) Minimum Rate of Interest: [ ]% per annum
  - (k) Maximum Rate of Interest: [ ]% per annum
  - (l) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
30E/360 (ISDA)]  
(See Condition 4 (Interest) for alternatives)
- 15. Zero Coupon Note Provisions:** [Applicable/Not Applicable]
- (as referred to under Condition 6.5(c) *Redemption and Purchase - Early Redemption Amounts*)
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [ ]% per annum
  - (b) Reference Price: [ ]  
[30/360]
  - (c) Day Count Fraction in relation to Early Redemption Amounts: [Actual/360]  
[Actual/365]  
(Consider applicable day count fraction if not U.S. dollar denominated)
- 16. Inflation Linked Interest Note Provisions:** [Applicable/Not Applicable]
- (as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Inflation Index/Indices: [ ]
  - (b) Inflation Index Sponsor(s): [ ]
  - (c) Reference Source(s): [ ]
  - (d) Related Bond: [Applicable]/[Not Applicable]  
  
The Related Bond is: [ ] [Fallback Bond]  
  
The issuer of the Related Bond is: [ ]

- (e) Fallback Bond: [Applicable]/[Not Applicable]
- (f) Reference Month: [ ]
- (g) Cut-Off Date: [ ]/[Not Applicable]
- (h) End Date: [ ]/[Not Applicable]
- (This is necessary whenever Fallback Bond is applicable)*
- (i) Additional Disruption Events: [Change of Law]  
[Increased Cost of Hedging]  
[Hedging Disruption]  
[None]
- (j) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): [*name*] shall be the Calculation Agent (*no need to specify if the Agent is to perform this function*)
- (k) DIR(0): [ ]
- (l) Lookback Period 1: [*insert number of months/years*]
- (m) Lookback Period 2: [*insert number of months/years*]
- (n) Initial Ratio Amount: [ ]/[Not Applicable]
- (o) Trade Date: [ ]
- (p) Minimum Rate of Interest: [ ] % per annum
- (q) Maximum Rate of Interest: [ ] % per annum
- (r) Rate Multiplier: [Not Applicable]/[ [ ] per cent]
- (s) Interest Determination Date(s): [ ]
- (t) Specified Period(s)/Specified Interest Payment Dates: [ ][, subject to adjustment in accordance with the Business Day Convention Set out in (u) below, not subject to any adjustment as the Business Day Convention in (u) below is specified to be Not Applicable]
- (u) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (v) Additional Business Centre(s): [ ]/[Not Applicable]

(w) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]  
 [30E/360 (ISDA)]  
 (See Condition 4 (Interest) for alternatives)

**PROVISIONS RELATING TO REDEMPTION**

17. Issuer Call: [Applicable/Not Applicable]  
 (as referred to under Condition 6.3  
 (Redemption at the option of the Issuer  
 (Issuer Call)))  
 (If not applicable, delete the remaining  
 subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount and  
 method, if any, of calculation of such  
 amount(s): [[ ] per Calculation Amount] [Make-whole Amount]

(c) Redemption Margin: [[ ] per cent.] [Not Applicable]  
 (Only applicable to Make-Whole Amount  
 redemption)

(d) Reference Bond: [insert applicable reference bond] [Not Applicable]  
 (Only applicable to Make-Whole Amount  
 redemption)

(e) Reference Dealers: [[ ]] [Not Applicable]  
 (Only applicable to Make-Whole Amount  
 redemption)

(f) If redeemable in part:

(i) Minimum Redemption [ ]  
 Amount:

(ii) Maximum Redemption [ ]  
 Amount:

(g) Notice periods: Minimum period: [ ] days  
 Maximum period: [ ] days  
 (N.B. When setting notice periods, the Issuer is  
 advised to consider the practicalities of distribution of  
 information through intermediaries, for example,

*clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

18. Investor Put: [Applicable/Not Applicable]

(as referred to under Condition 6.4 (Redemption at the option of the Noteholders (Investor Put)))

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount: [ ] per Calculation Amount

(c) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

19. Inflation Linked Redemption Note Provisions: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(x) Inflation Index: [ ]

(y) Inflation Index Sponsor(s): [ ]

(z) Related Bond: [Applicable]/[Not Applicable]

The Related Bond is: [ ] [Fallback Bond]

The issuer of the Related Bond is: [ ]

(aa) Fallback Bond: [Applicable]/[Not Applicable]

(bb) Reference Month: [ ]

- (cc) Cut-Off Date: [ ]/[Not Applicable]
- (dd) End Date: [ ]/[Not Applicable]
- (This is necessary whenever Fallback Bond is applicable)
- (ee) Additional Disruption Events: [Change of Law]  
[Increased Cost of Hedging]  
[Hedging Disruption]  
[None]
- (ff) Party responsible for calculating the Redemption Amounts (if not the Agent): [*name*] shall be the Calculation Agent (*no need to specify if the Agent is to perform this function*)
- (gg) DIR(0): [ ]
- (hh) Lookback Period 1: [*insert number of months/years*]
- (ii) Lookback Period 2: [*insert number of months/years*]
- (jj) Trade Date: [ ]
- (kk) Redemption Determination Date: [ ]
- (ll) Redemption Amount Multiplier: [ ] per cent
- 20.** Final Redemption Amount: [[ ] per Calculation Amount]/(*in the case of Inflation Linked Redemption Notes:*) as per Conditions 6.9 (*Redemption of Inflation Linked Notes*) and Condition 6.10 (*Calculation of Inflation Linked Redemption*)  
(as referred to under Condition 6.1 (*Redemption at Maturity*) and, in the case of Inflation Linked Notes, Conditions 6.9 (*Redemption of Inflation Linked Notes*) and 6.10 (*Calculation of Inflation Linked Redemption*))
- 21.** Early Redemption Amount payable on redemption for taxation reasons or on event of default or pursuant to Condition 4.3 (*Inflation Linked Note Provisions*): [[ ] per Calculation Amount] / [As per Condition 6.5 (*Early Redemption Amounts*)]  
(as referred to under Condition 6.5 (*Early Redemption Amounts*) and, in the case of Inflation Linked Notes, Conditions 6.9 (*Redemption of Inflation Linked Notes*) and 6.10 (*Calculation of Inflation Linked Redemption*))

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22.** Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for

Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

(b) New Global Note: [Yes][No]

23. Additional Financial Centre(s): [Not Applicable/give details]

(as referred to under Condition 5.5 (Payment Day))

*(Note that this paragraph relates to the date of payment and not Interest Period end dates to which subparagraph 14(c) relates)*

24. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

(as referred to under the Introduction to the Terms and Conditions of the Notes)

### THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Italgas S.p.A.:

By:.....  
*Duly authorised*

## PART 2

### OTHER INFORMATION

#### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Luxembourg Stock Exchange's regulated market and listing on the Official List of the Luxembourg Stock Exchange with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the Official List of the Luxembourg Stock Exchange with effect from [ ].] / [Not Applicable.]
- (b) Estimate of total expenses related to admission to trading: [ ] / [Not Applicable.]

#### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

*[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*

Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)

#### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)]*

#### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS, USE OF PROCEEDS AND TOTAL EXPENSES

- [(i)] Reasons for the offer: [ ] / [Not Applicable]

[(ii)] Estimated net proceeds: [ ] / [Not Applicable]

[(iii)] Use of proceeds: [ ]  
(Only required if the use of proceeds is different from that stated in the Base Prospectus)

[(iv)] Estimated total expenses: [ ] / [Not Applicable]

(N.B. Specify "Not Applicable" unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

**5. YIELD (Fixed Rate Notes only)**

Indication of yield: [[ ]/[Not Applicable]]

**6. HISTORIC INTEREST RATE (Floating Rate Notes only)**

[[Details of historic [LIBOR/EURIBOR/CMS/Constant Maturity BTP] rates can be obtained from [Reuters]]/[Not Applicable]]

**7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS\***

(N.B. Specify "Not Applicable" unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)

The final reference price of the underlying: [[As set out in Condition 4.2(C) (Interest – Interest on Floating Rate Notes and Inflation Linked Interest Notes - Rate of Interest – Inflation Linked Interest Notes)/As set out in Condition 6.10 (Calculation of Inflation Linked Redemption)] / [Not Applicable]]

An indication where information about the past and the further performance of the underlying and its volatility can be obtained [ ]

The name of the index: [[CPI - ITL / HICP] as defined in Annex 1 to the Base Prospectus]/[Not Applicable]]

The place where information about the index can be obtained: [[Bloomberg Page ITCPIUNR or its replacement /<http://ec.europa.eu/eurostat/>]/[Not Applicable]]

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

*[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)]*

## **8. OPERATIONAL INFORMATION**

- (a) ISIN:
- (b) Common Code:
- (c) Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):  [Not Applicable/give name(s), address(es) and number(s)]
- (d) Names and addresses of additional Paying Agent(s) (if any):
- (e) Deemed delivery of clearing system notices for the purposes of Condition 13 (Notices):  Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (f) Intended to be held in a manner which would allow Eurosystem eligibility:  [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## **9. DISTRIBUTION**

- (a) Method of distribution:  [Syndicated/Non-syndicated]

- (b) If syndicated, names of Managers: [Not Applicable/give names]  
*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (c) Date of [Subscription] Agreement: [ ]
- (d) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]"

**(e) (i) Description of the Issuer**

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

- (i) On page 100 of the Base Prospectus, the sub-section entitled "*Group Structure*" shall be deleted and replaced as follows:

**"Group Structure**



“On 6 December 2017 Italgas Reti acquired 90.03% of the share capital of Enerco Distribuzione S.p.A. (being the remaining 9.97% represented by own shares). Enerco owns 100% of the share capital of SGS S.r.l. On 1 January 2018 the demerger of Italgas Reti become effective and Italgas Acqua S.p.A. was established. Italgas Acqua owns 5 concessions for water distribution in the south of Italy.”

- (ii) On page 104 of the Base Prospectus, in the sub-section entitled “Employees”, the second table shall be deleted and replaced as follows:

<b>Personnel in service by Company</b>	<b>2015<sup>1</sup></b>	<b>2016<sup>2</sup></b>	<b>Change</b>
Italgas S.p.A. ....	-	337	337
Italgas Reti .....	2.589	2704	115
Az.Ene.Serv.To <sup>3</sup> .....	179	0	-179
Napoletana Gas <sup>4</sup> .....	438	437	-1
Acam Gas .....	92	92	0
	<b>3.298</b>	<b>3.570</b>	<b>272</b>

<sup>1</sup>Italgas Reti Group

<sup>2</sup>Italgas Group

<sup>3</sup>On 1 January 2016, Az Ene. Serv.To was merged by incorporation into Italgas Reti.

<sup>4</sup>On 1 October 2017, Napoletana was merged by incorporation into Italgas Reti.

- (iii) On page 106 of the Base Prospectus, the sub-section entitled “Earn-out Provisions” shall be deleted and replaced as follows:

**“Earn-out Provisions**

*Snam bought from Eni the entire share capital of Italgas Reti in June 2009. The price determined for the acquisition of Italgas Reti was subject to adjustment mechanisms agreed between the parties at the time of the acquisition. The Italgas Reti acquisition price has been adjusted in order to pay to Eni part of the profits from selling real estate properties owned by Italgas Reti that are no longer part of such transaction. With this regard, Italgas Reti recently concluded the sale of the Property Complex located in Roma Ostiense to Eniservizi pursuant to a sale and purchase agreement entered into on 28 November 2017.”*

**(e) (ii) Glossary of Terms and Legislation relating to the Issuer**

The section of the Base Prospectus entitled “Glossary of Terms and Legislation relating to the Issuer” shall be updated as follows:

- (i) On page 129 of the Base Prospectus, in the section entitled “Glossary”, the definition “AEEGSI” shall be deleted and replaced as follows:

**“ARERA** means the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione, Energia, Reti e Ambiente), formerly known as Autorità per l’Energia Elettrica, il Gas e il Sistema Idrico (**AEEGSI**). Any reference in this Base Prospectus to “AEEGSI” shall be construed as

a reference to “ARERA”.”

**(e) (iii) Regulatory and Legislative Framework**

The section of the Base Prospectus entitled “*Regulatory and Legislative Framework*” shall be updated as follows:

- (i) On page 138 of the Base Prospectus, at the end of the paragraph entitled “Law Decree No. 124/2017 (Legge annuale per il mercato e la concorrenza)”, the following paragraph shall be inserted:

*“With Resolution 905/2017/R/gas, published on 28 December 2017, the AEEGSI has implemented the provisions of Law No. 124/2017, with the aim to simplify the procedures for the calculation of the Reimbursement Value and for the evaluation of tender documents for the awarding of gas distribution concessions.*

*The Resolution:*

- *approved two consolidated acts (annexed to the Resolution as Annex A and Annex B) which contain provisions concerning the calculation and verification of the Reimbursement Value of the gas networks and the evaluation of Calls for Tenders (bandi di gara);*
- *repealed the previous AEEGSI Resolutions 113/2013/R/gas, 155/2014/R/ gas and 310/2014/R/gas, having the consolidated acts fully incorporated the provisions therein contained without making significant innovations.*

*With reference to the calculation of the Reimbursement Value, the relevant consolidated act (Annex A) specifies, inter alia, that the evaluation of the difference between VIR and RAB is carried out by the AEEGSI according to three regimes:*

- *individual ordinary regime for the Municipality;*
- *individual simplified regime for the Municipality, pursuant to the AEEGSI Resolution 344/2017/R/gas, published on 19 May 2017;*
- *simplified framework regime for the ATEM (ambito), pursuant to Law No. 124/17.*

*The consolidated act (Annex A) also specifies that, in case of disagreement between the awarding authority and the outgoing operator on the amount of the Reimbursement Value, for the purpose of calculating the difference between VIR and RAB within the minimum geographical area (ATEM), the greater of the two values is assumed.*

*With reference to the evaluation of Calls for Tenders (bandi di gara), the specific consolidated act (Annex B) states that the evaluation is carried out by the AEEGSI by applying two different methods which are detailed in such act: the ordinary procedure and the simplified regime. The simplified regime shall apply to those awarding authorities that have used the standard tender documents approved by the AEEGSI, without substantial amendments whilst, in all other cases, the more complex ordinary evaluation procedure shall apply.”*

- (ii) On page 143 of the Base Prospectus, at the end of the section entitled “*Regulatory - Tariffs - Tariff Regulation of distribution and metering services for the regulatory period 2014-2019 for distribution*”

service on ATEM', the following paragraphs shall be inserted:

*"With Resolution 858/2017/R/gas, published on 15 December 2017, the AEEGSI has redefined the reference tariffs for natural gas distribution and metering services for the years 2009-2016, on the basis of requests for rectification received from certain operators by 15 September 2017.*

*With Resolution 859/2017/R/gas, published on 15 December 2017, the AEEGSI has approved the mandatory tariffs for natural gas distribution and metering services. Moreover this Resolution has approved the level of operating costs relating to distribution and metering services and the level of costs relating to centralised asset for 2018.*

*With Resolution 904/2017/R/gas, published on 28 December 2017, the AEEGSI has confirmed the criteria for the definition and evaluation, for years 2018 and 2019, of the costs incurred in relation to the implementation of the smart meters management systems and has postponed until 2019 the application of the standard costs for the distribution network investments set out under Resolution 704/2016/R/gas."*

## **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).