

**FIRST SUPPLEMENT DATED 16 JULY 2019  
TO THE BASE PROSPECTUS DATED 8 NOVEMBER 2018**



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

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

This first supplement (the **First Supplement**) to the Base Prospectus dated 8 November 2018 (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. (**Italgas** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

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

The Issuer accepts responsibility for the information contained in this First 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 First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

With effect from the date of this First Supplement, the information set out in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

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 First Supplement is published have the right, exercisable within a time limit of two working days after the publication of this First Supplement, to withdraw their acceptances. This right to withdraw shall expire at close of business on 18 July 2019.

## **PURPOSE OF THE FIRST SUPPLEMENT**

The purpose of this First Supplement is to (a) incorporate by reference the Issuer's audited consolidated annual financial statements for the financial year ended 31 December 2018 included in the Issuer's 2018 annual report (the **2018 Annual Report**); (b) update the disclosure in the "*Risk Factors*" section to reflect certain recent developments; (c) update the disclosure in the "*Description of the Issuer*" section to reflect certain recent developments; (d) update the disclosure in the "*Regulatory and Legislative Framework*" section to reflect certain recent developments; (e) update the disclosure in the "*Taxation*" section to reflect certain recent developments and (f) update the disclosure in the "*General information*" section to reflect certain recent developments.

## **(a) INCORPORATION BY REFERENCE OF THE 2018 ANNUAL REPORT**

The information set out below supplements the sections of the Base Prospectus entitled "Documents Incorporated by Reference" on pages 32 to 33.

On 4 April 2019, the Issuer published the 2018 Annual Report which includes, among other things, the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018.

A copy of the 2018 Annual Report has been filed with the *Commission de Surveillance du Secteur Financier* and, by virtue of this First Supplement, the information set out in the cross-reference list below, which is contained in the 2018 Annual Report, is incorporated by reference in, and forms part of, the Base Prospectus.

Statement of Financial Position	pp. 134 - 135
Income Statement	p. 136
Statement of Comprehensive Income	p. 137
Statement of Changes in Shareholders' Equity	pp. 138 - 141
Cash Flows Statement	pp. 142 - 143
Notes to the Consolidated Financial Statements	pp. 145 - 247
Independent Auditor's Report	pp. 249- 256

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 (as amended).

## **(b) RISK FACTORS**

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

- (i) On page 10 of the Base Prospectus, in the sub-section entitled "*Market and competition risks. Risks associated with the expiration and renewal of gas distribution concessions*", the sixth paragraph shall be deleted and replaced by the following:

*"As of 16 July 2019, only 27 invitations have been published for a total of 28 ATEMs (Cremona 2 and Cremona 3 were grouped together), of which two were withdrawn, two others have been annulled by a judicial decision (Venezia 1 and Alessandria 2) and four were suspended by the contracting authority. Certain other of those published invitations were subject to legal actions by different operators, which challenged that such invitations were not made fully in compliance with the relevant legislation. Submissions by operators for four tenders (Milano 1, recently awarded and currently subject to litigation from an operator, Torino 2, recently awarded to Italgas, Belluno and Valle d'Aosta in the way of being awarded) and three pre-qualifications requests (Perugia 2, Udine 1 and Udine 3) have instead occurred. For a further ten invitations to tender, the bid submission dates, or rather the pre-qualification request dates, were postponed. Finally, the Region of Calabria has appointed commissioners ad acta, in order to start the tenders in two ATEMs (Cosenza 1 and Reggio Calabria – Vibo Valentia)."*

- (ii) On page 13 of the Base Prospectus, the followings paragraphs shall be inserted after the sub-section entitled "*Regulatory risk*":

***“Risk associated with subsidies regulatory policy***

*By Resolution n. 573/2013/R/gas public and private subsidies received from 2012 are deducted from the value of fixed assets, both for the purpose of calculating the remuneration of invested capital and depreciation and, as consequence, subsidies are downgraded proportionally to the depreciation. For the subsidies stock existing at December 31st, 2011, the company could choose, in the fourth regulatory period (January 1st, 2014 – December 31st, 2019), two alternative methods:*

- same approach as the one adopted in the third regulatory period, therefore no subsidies downgrade, full deduction from the invested capital and no impact on depreciation, or*
- same approach as for the contributions received from 2012, therefore subsidies are deducted from the value of fixed assets both in calculating remuneration of the invested capital and depreciation, and then are downgraded gradually. In this last case it is provided that only a portion of the stock of subsidies is released immediately along the 4th regulatory period, while the residual portion would be gradually released at later stage (“frozen portion”).*

*On 9 May 2019, ARERA issued the Consultation Document no. 170/2019/R/Gas containing the “Guidelines of intervention for the regulation of tariffs and quality of gas distribution and measurement services in the fifth regulatory period”. Such document provides for the possibility that, within the end of the 5th regulatory period, the frozen portion of the subsidies would be fully released. Italgas answered to the Consultation Document proposing a release of the “frozen portion” of the subsidies diluted over time. ARERA will issue other Consultation Documents while the final Resolution for the regulation of tariffs of gas distribution and measurement services in the fifth regulatory period is expected by the end of December 2019. If applied, this principle could drive to a RAB reduction that could proportionally affect and reduce remuneration received by Italgas.*

***Risk associated with invested capital regulatory remuneration***

*By way of Resolution no. 98/2019/R/gas, ARERA approved the definitive reference tariffs for gas distribution and metering services for 2018. This Resolution has been followed by Resolution no. 128/2019/R/gas, which approved the provisional reference tariffs for gas distribution and metering services for 2019. With the same Resolution ARERA announced that it will conduct further analyses regarding the tariff recognition of investments made in the municipalities whose first year of supply was 2017, following a petition submitted by Italgas which highlights an incongruity between what recognized by the Authority in 2018 (remunerated capital calculated with regard to standard parameters for delivery points) and the amount that would result from the application of the tariff methodology in force. In case the petition of Italgas is not accepted an adjustment to the regulated revenues of the company has to be made due to the reduced remuneration of investments deriving from the above Resolutions.”*

- (iii) On page 13 of the Base Prospectus, the sub-section entitled “Risks associated with the execution of Italgas’s strategic plan” shall be deleted and replaced by the following, save as for the last three paragraphs:

***“Risks associated with the execution of Italgas’s strategic plan***

*On 11 June 2019, the Board of Directors of Italgas approved a new strategic plan defining the guidelines and the targets of the Italgas Group for the 2019-2025 period (the Italgas Strategic Plan) updating the strategy announced with the previous strategic plan (2018-2024).*

*The Italgas Strategic Plan contains, and was drawn up on the basis of, hypotheses and estimates relating to future developments and events that could affect Italgas Reti and its subsidiaries' operating sectors, such as estimates concerning the demand for natural gas in Italy in the medium to long term or changes to the applicable regulations, or the timetable for future tender processes for gas distribution concessions in the various minimum geographical areas.*

*The Italgas Strategic Plan is the result of a simulation process forecasting the economic, capital, and financial parameters for the Italgas Group and was constructed on the basis of actual data as of 31 December 2018.*

*The Italgas Strategic Plan provides for objectives identified on the basis of substantial continuity in the existing regulatory environment and of the unfolding of the effects of management actions (the Forecast Data).*

*The Forecast Data is based on assumptions as to the occurrence of a set of future events and actions that include, among other things, general and hypothetical assumptions concerning future events – subject to the risks and uncertainties that characterize the current macroeconomic environment – actions that will not necessarily take place and events or other factors that may have an impact on the performance of the major capital and economic figures of the Italgas Group, and which the directors (the Directors) and the management of Italgas cannot influence or may only be able to do so partially (in combination, the Hypothetical Assumptions).*

*In particular, these Hypothetical Assumptions envision the following, among other things:*

- (i) the success of the transactions for the financing of new debt requirements or refinancing of debt that will expire, including its planned subsequent listed bond issues;*
- (ii) the effectiveness of the timetable for future tenders for the awarding of the gas distribution service in the various ATEMs envisioned by the management of Italgas. The timetable provides for completion of the tender processes by the end of 2024;*
- (iii) fulfillment of the success rate envisioned by the management of Italgas in relation to future tenders for the awarding of the gas distribution service in the various ATEMs in which the Italgas Group plans to participate;*
- (iv) the representative character of the RAB (Regulatory Asset Base) value as an estimator of the Reimbursement Value recognized for outgoing operators within the scope of future tenders for the awarding of the gas distribution service in the various ATEMs for each of the concessions in the Italgas Group scopes of interest in the plan period;*
- (v) realization of the estimates concerning the demand for natural gas in Italy in the medium to long term or changes in the applicable rules.*

*Furthermore, the assumptions relating to changes in the macroeconomic and regulatory environment and to the dynamics of the benchmark rates underlying the Italgas Strategic Plan were formulated in working out the currently available forecasts. It is also noted that the Italgas Strategic Plan was developed by referencing the current competitive structure.*

*For the period of 2019-2025, the Italgas Strategic Plan has scheduled overall investments of Euro 6.4 billion (considering the full consolidation of Toscana Energia from 2020), of which about Euro 1.8 billion related to tenders and about Euro 4.5 billion without considering tenders.*

*Out of the 4.5 billion above, about Euro 0.7 billion are referred to M&A initiatives and Toscana Energia full consolidation from 2020, while about Euro 3.8 billion are related to 2018 base perimeter, of which about 0.5 billion allocated to Sardinia project, 2.1 billion refers to other networks, 0.4 billion to metering (assuming the completion of traditional meters replacement by 2020) and 0.5 billion aimed at digitization.*

*During the 2018 financial year, technical investments of Euro 523 million were made, of which about 35% were for measuring activity.*

*The Italgas Strategic Plan assumes the existence of conditions for market share growth from the current approximately 30% to almost 45%, at the end of the Local Tender Processes, in terms of the number of Redelivery Points (RP) of the consolidated perimeter of the Italgas Group (considering the full consolidation of Toscana Energia), corresponding to about 9.7 million RPs managed, compared to about 6.7 million in existence.*

*The technical investments plan for the current scope of operations, in conjunction with the planned program of acquisition of new concessions and with the full consolidation of Toscana Energia, will enable the estimation of a consolidated RAB growth to a CAGR of around 7% in the plan period, starting from Euro 6.4 billion at the end of 2018. In view of the delay that could affect timetable of Local Tender Processes, Italgas has taken and could continue to pursue M&A opportunities, with a strict financial discipline, in order to anticipate tenders timing and enlarge and optimize concession portfolio, increasing competitiveness in tender process.”*

- (iv) On page 16 of the Base Prospectus, in the sub-section entitled “*Risks associated with environmental protection and the restoration of polluted sites*”, the last paragraph shall be deleted and replaced by the following:

*“In addition, Medea S.p.A. (“Medea”), a LPG distribution and sale company based in Sassari, owns LPG storages in Sardinia, totalizing approx. 3,5 thousand cubic metres of capacity. Three of these LPG storages have to be operated in compliance with the “Seveso Directive” (Directive 2012/18/EU), which was implemented in Italy by Legislative Decree 105/2015 (which has replaced Legislative Decree 334/1999).”*

- (v) On page 16 of the Base Prospectus, in the sub-section entitled “*Operating risks. Risks associated with malfunctioning and unforeseen interruption of the service, and with delays in the progress of infrastructure construction program*”, the third paragraph shall be deleted and replaced by the following:

*“The capex plan in the context of the Strategic Plan 2019-2025 envisages a total amount of €0.6 billion of development of the infrastructures and €0.5 billion devoted to the Sardinia methanization project.”*

- (vi) On page 17 of the Base Prospectus, in the sub-section entitled “*Risks associated with the plan for the replacement of traditional meters with smart meters*”, the second paragraph shall be deleted and replaced by the following:

*“The replacement plan was updated once again through the recent ARERA Resolution 669/2018 which replaced other Resolutions establishing targets for the past years and revised the meter replacement plan further setting it to 85% in 2020. Italgas therefore expects to invest approximately €320 million between 2019 and 2020 (€350 million by 2025) installing around 2.75 million smart meters. Taking into account the smart meters already installed until 2018, in 2020 Italgas will complete the replacement of all traditional meters with smart ones. The investment plan for the installation of smart meters will be financed both by the generation of cash from operations and by lines of credit subscribed by Italgas and those already available.”*

- (vii) On page 17 of the Base Prospectus, in the sub-section entitled *“Legal and non-compliance risk”*, the following words shall be inserted in the second paragraph after the words *“and the violation of anti-corruption rules”*:

*“or data protection rules,”*

- (viii) On page 19 of the Base Prospectus, in the sub-section entitled *“Risks associated with the energy efficiency certificates market”*, the ninth, thirteenth, fourteenth and the last paragraphs shall be deleted and replaced by the followings:

*“In May 2019, GSE has published an operational guide implementing the valuation and redemption of EECs issued by GSE and not deriving from energy efficiency projects, introduced by MD 10 May 2018.”*

*“As a consequence of amendments introduced by MD 10 May 2018 to MD 11 January 2017, with the Resolution 487/2018/R/efr subsequently updated with the Resolution 209/2019/R/efr, ARERA has updated the criteria for calculating the tariff contribution to cover the costs incurred by distributors subject to energy efficiency targets.”*

*“Italgas Reti has decided to start a proceeding before the competent Administrative Court (TAR Lazio) against such amendments introduced by MD 10 May 2018, also extended to the “Operating Guide for the issue of EECs pursuant to art. 14 bis of the MD 11 January 2017”, and to the Resolution 487/2018/R/efr, also extended to the modifications introduced by the Resolution 209/2019/R/efr.”*

*“The total obligation of the Italgas Group for the obligation year 2019 (which has begun on 1 June 2019 and will end on 31 May 2020) is equal to 948,473 EECs.”*

### **(c) DESCRIPTION OF THE ISSUER**

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

- (i) On page 99 of the Base Prospectus, in the sub-section entitled *“Overview”*, the fourth paragraph shall be deleted and replaced by the following:

*“As of 16 July 2019, the Issuer holds directly 100% of the share capital of Medea Newco S.r.l., Italgas Acqua S.p.A. (“Italgas Acqua”), Seaside and Italgas Reti and (indirectly, through its shareholding in Italgas Reti) 100% of the share capital of Medea, Mediterranea S.r.l.<sup>1</sup> and European Gas Network S.r.l.; this latter is a company that controls 100% of capital of Marigliano Gas S.r.l., Ischia Gas S.r.l.*

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<sup>1</sup> *Mediterranea S.r.l. is expected to be merged into Italgas Reti by October 2019.*

and EGN Distribuzione S.r.l.<sup>2</sup>. Lastly, through Medea S.p.A., the Issuer holds 10% of Isgas trentatre S.p.A.”

(ii) On page 99 of the Base Prospectus, in the sub-section entitled “Overview”, the “48.08%” referred to in line 1 of the fifth paragraph shall be deleted and replaced with “48.68%”.

(iii) On page 100 of the Base Prospectus, in the sub-section entitled “Overview”, the eleventh paragraph shall be deleted and replaced by the following:

*“As of 16 July 2019 on the basis of the shareholders’ register, communications received pursuant to the Commissione Nazionale per la Società e la Borsa (CONSOB) Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the main shareholders directly or indirectly owning an interest greater than 3% of Italgas’ share capital are (i) CDP, with an overall 26.05% stake of the ordinary share capital, held through CDP Reti S.p.A. (ii) Snam with a stake of 13.50% of the ordinary share capital of the Issuer, (iii) Lazard Asset Management with a stake of 8.2% of the ordinary share capital (iv) Mr. Romano Minozzi who holds, also through his companies Iris Ceramica Group S.p.A, GranitiFiandre S.p.A. and Finanziaria Ceramica Castellarano S.p.A., 4.29% of the ordinary share capital and (v) BlackRock Inc. with a stake of 3.9% of the ordinary share capital. The remaining (free float) is held by other shareholders. See “Principal Shareholders” below.”*

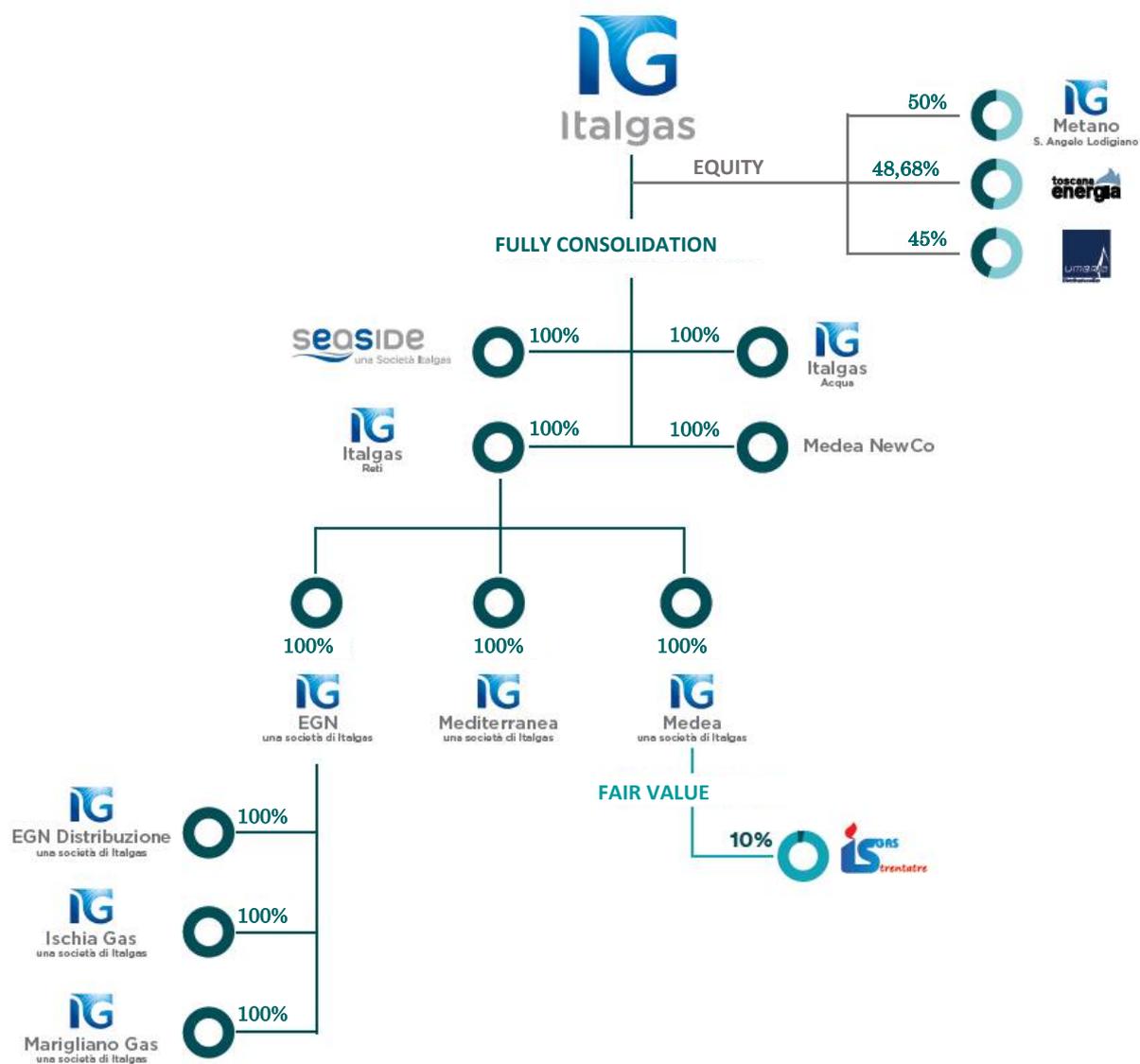
(iv) On page 103 of the Base Prospectus, in the sub-section entitled “Group Structure”, the outline of the group structure shall be deleted and replaced and the following paragraphs shall be inserted after the last paragraph:

**“Group Structure**

As of 16 July 2019, the Group Structure is as follows:

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<sup>2</sup> European Gas Network S.r.l. and its subsidiaries are expected to be merged into Italgas Reti by August 2019.



On 27 November 2018, Italgas Reti acquired the remaining 2% of the corporate capital of Grecanica Gas S.r.l., Progas Metano S.r.l., BaranoGas Reti S.r.l., FavaraGas Reti S.r.l., SiculianaGas Reti S.r.l. and Ischia Reti Gas S.r.l.

On 28 November 2018, Ichnusa Gas was merged by incorporation into Medea S.p.A..

On 30 November 2018, Italgas Reti acquired from CPL Concordia 100% of the corporate capital of Naturgas S.r.l. and Fontenergia S.r.l. and 60% of the corporate capital of European Gas Network S.r.l. Subsequently, on 17 April 2019, Italgas Reti acquired the remaining 40% of this latter. As said, European Gas Network S.r.l. owns 100% of the corporate capital of Marigliano Gas S.r.l., Ischia Gas S.r.l. and EGN Distribuzione S.r.l. and together with its subsidiaries is expected to be merged into Italgas Reti by August 2019.

On 12 March 2019, the process of merger by incorporation of Grecanica Gas S.r.l., Progas Metano S.r.l., BaranoGas Reti S.r.l., FavaraGas Reti S.r.l., SiculianaGas Reti S.r.l. Ischia Reti Gas S.r.l. together with Naturgas S.r.l. into Italgas Reti was completed.

On the same date, Fontenergia 4 S.r.l., Fontenergia 6 S.r.l., Fontenergia 7 S.r.l., Fontenergia 9 S.r.l., Fontenergia 10 S.r.l., Fontenergia 11 S.r.l., Fontenergia 15 S.r.l., Fontenergia 19 S.r.l., Fontenergia 26 S.r.l., Fontenergia 27 S.r.l., Fontenergia 35 S.r.l. e Fontenergia 37 S.r.l. were merged together with Fontenergia S.r.l. into Medea S.p.A..

On 30 April 2019, based on the agreement signed with the CONSCOOP Group, the purchase of the following was finalized: (i) the business unit of Aquamet S.p.A., including, inter alia, 9 natural gas distribution concessions in some municipalities in Lazio, Campania, Basilicata and Calabria, for a total of 23,800 users served; (ii) the business unit of Isgas Energit Multiutilities S.p.A., holder of propane-air distribution concessions in the Sardinian municipalities of Cagliari, Nuoro and Oristano, for a total of roughly 22,300 users currently served with LPG; (iii) 100% of Mediterranea S.r.l., holder of 6 concessions for natural gas distribution in the province of Salerno, with approximately 3,600 users served. Currently, the process of merger by incorporation of Mediterranea S.r.l. into Italgas Reti has been initiated and is expected to be completed by October 2019.

On 7 May 2019 Medea Newco, a limited liability company entirely controlled by the Issuer, has been established and shall become operational starting from November 2019. In order to comply with the Unbundling Regulation adopted by ARERA, a partial demerger of the sale branch of Medea in favour of Medea Newco has been initiated.”

- (v) On page 106 of the Base Prospectus, in the sub-section entitled “Business Activities of Italgas”, the table shall be deleted and replaced by the following:

<b>Company</b>	<b>Shares held by the Issuer</b>
Toscana Energia S.p.A	48.68%
Umbria Distribuzione Gas S.p.A	45%
Metano S. Angelo Lodigiano S.p.A.	50%

In particular: (i) the remaining share capital of Toscana Energia S.p.A. is 51.32%, 51.24% is owned by local Municipalities and 0.08% by Banca di Pisa e Fornacette Credito Cooperativo; (ii) the remaining share capital of Umbria Distribuzione Gas S.p.A. is owned by ASM Terni S.p.A. (40%) and

*Acea S.p.A. (15%); and (iii) the remaining share capital of Metano S. Angelo Lodigiano S.p.A. is owned by the Municipality of S. Angelo Lodigiano.*

- (vi) On page 111 of the Base Prospectus, in the sub-section entitled “*Material Litigation*” – “*Criminal Proceedings*”, under the heading “*Rome incident, Via Parlatore*”, the following sentence shall be inserted at the end of the paragraph:

*“The trial hearing was set for 26 October 2018 before the G.I.P. for the decision: in that hearing, the G.I.P. requested to the Prosecutor to carry out further investigations.”*

- (vii) On page 111 of the Base Prospectus, in the sub-section entitled “*Material Litigation*” – “*Criminal Proceedings*”, under the heading “*Cerro Maggiore/via Risorgimento Event*”, the following sentence shall be inserted at the end of the paragraph:

*“At the hearing held on 19 March 2019, the Judge for the Preliminary Hearing (G.U.P.) pronounced a not to prosecute verdict for two of the Italgas Reti employees for not having committed the crime. A verdict was issued against the employees of the subcontractor company for the laying of the optical fiber, applicants for the summary trial, rejecting the request for compensation of the civil part of the Municipality of Cerro Maggiore. Italgas Reti and remaining three of its employees, as well as the other defendants of the said subcontractor company, have been indicted for a hearing to be held on 12 December 2019.”*

- (viii) On page 111 of the Base Prospectus, in the sub-section entitled “*Material Litigation*” – “*Criminal Proceedings*”, the following paragraph shall be inserted after the paragraph entitled “*Cerro Maggiore/via Risorgimento Event*”:

***“Rocca di Papa Event***

*The Public Prosecutor's Office of the Court of Velletri opened an investigation for the incident that occurred on 10 June 2019 in the Municipality of Rocca di Papa caused by the rupture of a Italgas Reti pipeline by a company that carried out works on behalf of the same Municipality. The dispersion of gas produced an explosion in which some persons were injured; two of whom died in the following days. The Public Prosecutor is conducting preliminary investigations where Italgas Reti people are not involved. Italgas Reti, who is aggrieved party by the crime - for damages to its pipeline - is cooperating in the investigation. The Public Prosecutor has also carried out investigations with expert reviews into the area of the accident and Italgas Reti, as aggrieved party, has appointed its own technical consultants.”*

- (ix) On page 111 of the Base Prospectus, in the sub-section entitled “*Material Litigation*” - “*Other Proceedings*” under the heading “*Italgas Reti/Municipality of Venice*” after the last words “*(ricorso per revocazione)*” the following sentence shall be inserted:

*“All the judicial proceedings mentioned hereinabove are ended and Italgas Reti’s claims have been rejected”.*

- (x) On page 111 of the Base Prospectus, in the sub-section entitled “*Material Litigation*” – “*Other Proceedings*”, under the heading “*Italgas Reti / Municipality of Venice*”, the following paragraph shall be inserted:

*“Comune di Venezia / Italgas Reti: Trib.Venezia*

*After the conclusion of the judicial proceedings at the Administrative Courts (giudizi amministrativi) between Italgas Reti S.p.A. and the Municipality of Venice, the latter has initiated in April 2019 civil proceedings at the Court of First Instance in Venice (Tribunale di Venezia) in order to recover the amounts which it assumes due for the utilization of assets of Block A. First hearing shall be on 12 September 2019. Italgas Reti shall deposit its statements of defence (comparsa di risposta) in due time.”*

- (xi) On page 112 of the Base Prospectus, before the sub-section entitled “Principal Shareholders”, the followings sub-section and paragraph shall be inserted:

**“AGCM Proceedings**

***Proceeding A 527 of 12 March 2019***

*“With a Resolution dated 12 March 2019, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato: shortly, AGCM) initiated proceedings (procedimento istruttorio) with record number A527, assuming that Italgas Reti S.p.A. and two other gas distribution companies, Ireti S.p.A. and 2i Rete Gas S.p.A., should be held liable for abuse of a dominant position by refusing to supply data to Comune di Genova, which is requested to organize the tender procedure for ATEM Genova 1. When initiating the said A527 proceeding the AGCM also initiated a sub-proceeding (sub-procedimento) aiming to adopt interim measures towards the said companies; in this very respect, Italgas Reti S.p.A. filed a statement of defence (memoria difensiva) on 10 April 2019. On 9 May 2019 AGCM has adopted a resolution ending the said sub-proceedings for interim measures. For the sake of completeness, it must be added that Italgas Reti S.p.A. holds distribution concessions in a few small towns (i.e. Campo Ligure, Campomorone, Ceranesi, Cicagna, Masone, Pieve Ligure e Rossignone) out of the twenty-four (including Genova) which are comprised in ATEM Genova 1.”*

- (xii) On page 112 of the Base Prospectus, in the sub-section “Principal Shareholders”, the fourth and fifth paragraphs shall be deleted and replaced by the following:

*“As of 16 July 2019 on the basis of the shareholders’ register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the main shareholders directly or indirectly owning an interest greater than 3% of Italgas’ share capital are (i) CDP, with an overall 26.05% stake of the ordinary share capital, held through CDP Reti S.p.A. (ii) Snam with a stake of 13.50% of the ordinary share capital of the Issuer, (iii) Lazard Asset Management with a stake of 8.2% of the ordinary share capital (iv) Mr. Romano Minozzi who holds, also through his companies Iris Ceramica Group S.p.A, GranitiFiandre S.p.A. and Finanziaria Ceramica Castellarano S.p.A., 4.29% of the ordinary share capital and (v) BlackRock Inc. with a stake of 3.9% of the ordinary share capital. The remaining (free float) is held by other shareholders.*

*As of 16 July 2019, based on information in Issuer’s shareholders’ register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the shareholders owning interests in excess of 3% of the Issuer’s ordinary shares are as follows:”*

- (xiii) On page 112 of the Base Prospectus, in the sub-section “Principal Shareholders”, the table shall be deleted and replaced by the following:

<i>Declarant</i>	<i>Direct shareholder</i>	<i>Proportion of ordinary share capital (%)</i>
<i>CDP</i>	<i>CDP Reti</i>	<i>26.05</i>
<i>Snam</i>	<i>Snam</i>	<i>13.50</i>
<i>Lazard Asset Management</i>	<i>Lazard Asset Management</i>	<i>8.2</i>
<i>Romano Minozzi</i>	<i>Finanziaria Ceramica Castellarano S.p.A.</i>	<i>0.23</i>
	<i>Granitifiandre S.p.A.</i>	<i>0.03</i>
	<i>Iris Ceramica Group S.p.A.</i>	<i>1.89</i>
	<i>Romano Minozzi</i>	<i>2.15</i>
<i>BlackRock Inc.</i>	<i>BlackRock Institutional Trust Company</i>	<i>2.5</i>
	<i>BlackRock Advisors Limited</i>	<i>1.1</i>
	<i>BlackRock A.M Deutschland</i>	<i>0.2</i>

- (xiv) On page 114 of the Base Prospectus, in the sub-section “*Code of Ethics, Principles of the Internal Control and Enterprise Risk management system*” the title shall be deleted and replaced with “*Code of Ethics, Principles of the Internal Control, and Enterprise Risk management system and the management system for the prevention and fight against corruption*” and the following paragraph shall be inserted after the third paragraph:

*“On 24 December 2018, in line with the provisions of the 2018 Sustainability Plan of the Issuer, DNV certified the compliance of the management system for the prevention and fight against corruption of the Issuer and the subsidiary Italgas Reti with the requirements set by UNI ISO 37001:2016. In this framework, the Issuer involved all the competent functions, putting in place specific measures to implement the new management system; furthermore, the Issuer identified and appointed the Responsible of the Legal Compliance Unit as Compliance Function for Prevention and Fight of Corruption.”*

- (xv) On page 115 of the Base Prospectus, in the sub-section “*Board of Directors*”, the date “*4 August 2016*” referred to in line 1 of the second paragraph shall be deleted and replaced with “*4 April 2019*”.

- (xvi) On page 115 of the Base Prospectus, in the sub-section “*Current Board of Directors Members*”, the first and second paragraphs and the table between the second and the third paragraphs shall be deleted and replaced by the following:

*“Pursuant to Article 13 of the existing by-laws of Italgas, the Board of Directors of Italgas is composed of nine members. The Board of Directors appointed by the ordinary shareholders’ meeting of 4 April 2019 will remain in office for three financial years, until the date of the ordinary shareholders’ meeting called for the approval of the 2021 financial statements.”*

*“The table below sets out the name, office held and date and place of birth for each of the current members of the Issuer’s Board of Directors:*

<b>Name</b>	<b>Office</b>	<b>Date and place of birth</b>
Alberto Dell'Acqua <sup>(1)</sup>	Chairman	Milan, Italy, 1976
Paolo Gallo	Chief Executive Officer	Turin, Italy 1961
Giandomenico Magliano <sup>(2)</sup>	Director	Naples, Italy 1955
Veronica Vecchi <sup>(2)</sup>	Director	Reggio Emilia, Italy, 1979
Maurizio Dainelli	Director	Rome, Italy 1977
Yunpeng He	Director	Baotou (Inner Mongolia, China) 6 February 1965
Andrea Mascetti <sup>(2)</sup>	Director	Varese, Italy 1971
Silvia Stefini <sup>(2)</sup>	Director	Varese, Italy 1964
Paola Annamaria Petrone <sup>(2)</sup>	Director	Milan, Italy 1967

<sup>(1)</sup> The Chairman fulfils the independent requirements set out in Article 148, paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998 (as later amended and supplemented) (TUF).

<sup>(2)</sup> Director fulfilling the independence requirements set out in Article 148, paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998 (as later amended and supplemented) (TUF) and in the Code of Corporate Governance approved by the Corporate Governance Committee.”

(xvii) On page 118 of the Base Prospectus, in the sub-section “Principal Activities of the Directors outside the Issuer’s Group”, the table shall be deleted and replaced by the following:

<b>Name</b>	<b>Company</b>	<b>Office/Stake held</b>	<b>Status of the office / stakeholding as of 16 July 2019</b>	
Alberto Dell'Acqua	Primorago S.r.l.	Quotaholder	98%	
	Madison S.r.l.	Vice Chairman of the BoD	In office	
	Eligo S.r.l.	Director	In office	
	Madison Capital S.r.l.	Vice Chairman of the BoD	In office	
	Primorago S.r.l. Eli Venture S.r.l.	Sole Director Liquidator	In office In office	
Paolo Gallo	Italgas Reti S.p.A.	Chairman of the BoD	In office	
	Errenergia S.r.l.	Director	In office	
Giandomenico Magliano	none	none	none	
Veronica Vecchi	Logon S.r.l. in liquidazione	Quotaholder	33.33%	
	Azienda Servizi Mortara S.p.A.	Director	In office	
	Synapta S.r.l.	Director	In office	
Maurizio Dainelli	none	none	none	
Andrea Mascetti	Argentea Gestioni S.c.p.a.	Director	In office	
	Autostrade Lombarde S.p.A.	Director	In office	
	Compagnia Italiana Finanziaria S.r.l.	Chairman of The BoD	In office	
	Fondazione Comunitaria del Varesotto ONLUS	Director	In office	
	Fondazione Sangregorio Giancarlo	Director	In office	
	Nord Energia S.p.A.	Chairman of The BoD	In office	
	Piemonte Investimenti S.r.l.	Sole Director	In office	
	Società di Progetto Autostrada Diretta Brescia Milano S.p.A.	Director	In office	
	HAIER Europe Trading	Standing Auditor	In office	
	Yunpeng He	CDP Reti S.p.A.	Director	In office
		Snam S.p.A.	Director	In office
Terna S.p.A.		Director	In office	

	<i>IPTO S.A.</i>	<i>Director</i>	<i>In office</i>
<i>Silvia Stefini</i>	<i>none</i>	<i>none</i>	<i>none</i>
<i>Paola Annamaria Petrone</i>	<i>AAMPS S.p.A.</i>	<i>General Manager</i>	<i>In office</i>

- (xviii) On page 119 of the Base Prospectus, in the sub-section entitled “*Control and Risk and Related-Party Transactions Committee*”, the words “*appointed on 23 October 2017*” shall be deleted in the first paragraph after the words “*The Control and Risk and Related-Party Transactions Committee*” and replaced by the following:

*"whose current members have been appointed on 13 May 2019".*

- (xix) On page 121 of the Base Prospectus, in the sub-section entitled “*Control and Risk and Related-Party Transactions Committee*”, the table shall be deleted and replaced by the following:

<i>Name</i>	<i>Role</i>
<i>Paola Annamaria Petrone</i>	<i>Non-executive director – Chairman<sup>(1)</sup></i>
<i>Giandomenico Magliano</i>	<i>Non-executive director<sup>(1)</sup></i>
<i>Silvia Stefini</i>	<i>Non-executive director<sup>(1)</sup></i>

<sup>(1)</sup> *Director fulfilling the independence requirements set out in Article 148, paragraph 3 of the TUF and in the Code of Corporate Governance approved by the Corporate Governance Committee.*

- (xx) On page 122 of the Base Prospectus, in the sub-section entitled “*Appointments and Compensation Committee*”, the words “*appointed on 23 October 2017*” shall be deleted in the first paragraph after the words “*The Appointments and Compensation Committee*” and replaced by the following:

*"whose current members have been appointed on 13 May 2019".*

- (xxi) On page 123 of the Base Prospectus, in the sub-section entitled “*Appointments and Compensation Committee*”, the table shall be deleted and replaced by the following:

<i>Name</i>	<i>Role</i>
<i>Andrea Mascetti</i>	<i>Non-executive director – Chairman<sup>(1)</sup></i>
<i>Maurizio Dainelli</i>	<i>Non-executive director</i>
<i>Silvia Stefini</i>	<i>Non-executive director<sup>(1)</sup></i>

<sup>(1)</sup> *Director fulfilling the independence requirements set out in Article 148, paragraph 3 of the TUF and in the Code of Corporate Governance approved by the Corporate Governance Committee.*

- (xxii) On page 124 of the Base Prospectus, in the sub-section entitled “*Sustainability Committee*”, the words “*appointed on 5 September 2016*” shall be deleted in the first paragraph after the words “*The Sustainability Committee*” and replaced by the following:

*"whose current members have been appointed on 13 May 2019".*

- (xxiii) On page 125 of the Base Prospectus, in the sub-section entitled “*Sustainability Committee*”, the table shall be deleted and replaced by the following:

<i>Name</i>	<i>Role</i>
<i>Giandomenica Magliano</i>	<i>Non-executive director – Chairman<sup>(1)</sup></i>
<i>Yunpeng He</i>	<i>Non-executive director</i>
<i>Veronica Vecchi</i>	<i>Non-executive director<sup>(1)</sup></i>

<sup>(1)</sup> Director fulfilling the independence requirements set out in Article 148, paragraph 3 of the TUF and in the Code of Corporate Governance approved by the Corporate Governance Committee.

(xxiv) On page 125 of the Base Prospectus, in the sub-section “*Current Members of the Board of Statutory Auditors*”, the third paragraph shall be deleted and the second paragraph as well as the table shall be deleted and replaced by the following:

“*The Board of Statutory Auditors appointed by the ordinary shareholders’ meeting of 4 April 2019 will remain in office for three financial years, until the date of the ordinary shareholders’ meeting called for the approval of the 2021 financial statements.*”

<i>Name</i>	<i>Role</i>
<i>Pierluigi Pace</i>	<i>Standing Auditor, Chairman</i>
<i>Maurizio Di Marcotullio</i>	<i>Standing Auditor</i>
<i>Marilena Cederna</i>	<i>Standing Auditor</i>
<i>Stefano Fiorini</i>	<i>Alternate Auditor</i>
<i>Giuseppina Manzo</i>	<i>Alternate Auditor</i>

(xxv) On page 127 of the Base Prospectus, in the sub-section “*Principal Activities of the Statutory Auditors outside the Issuer’s Group*”, the table shall be deleted and replaced by the following:

<i>Name</i>	<i>Company</i>	<i>Office/Stake held</i>	<i>Status of the office / stakeholding as of 16 July 2019</i>
<i>Pierluigi Pace</i>	<i>Values Kills S.r.l.</i>	<i>Quotaholder</i>	<i>50%</i>
	<i>QUEUE S.r.l.</i>	<i>Quotaholder</i>	<i>15.39%</i>
	<i>Lventure Group S.p.A.</i>	<i>Director</i>	<i>In office</i>
	<i>Sistema Camerale</i>	<i>Statutory Auditor</i>	<i>In office</i>
	<i>Servizi Roma - Società Consortile per Azioni in Liquidazione</i>	<i>Liquidator</i>	<i>In office</i>
	<i>Associazione Sportiva LUISS a r.l.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Collemassari S.p.A. società agricola</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Davide Campari – Milano S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Fiera Roma S.r.l.</i>	<i>Statutory Auditor</i>	<i>In office</i>
	<i>Gruppo Immobiliare Roma 05 S.p.A.</i>	<i>Statutory Auditor</i>	<i>In office</i>
		<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Investimenti S.p.A:</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>L. Lab S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>L. Campus S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>

	<i>Maga Immobiliare S.p.A.</i>	<i>Statutory Auditor</i>	<i>In office</i>
	<i>Risorse per Roma S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Roscini Veicoli Industriali S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Simetel – Società Impianti Elettrici e di Telecomunicazioni S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Società per il Polo Tecnologico Industriale Romano S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Systra – Sotecni S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
<i>Maurizio Di Marcotullio</i>	<i>DMG &amp; Partners S.r.l. Holdings S.A.</i>	<i>Quotaholder</i>	<i>48%</i>
	<i>Aprilia Solar S.r.l.</i>	<i>Sole Director</i>	<i>In office</i>
	<i>BS Solar S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>E.R. Energia Rinnovabile S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Erika Eolica S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>HOBBS &amp; Law</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Matos S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Perini Navi S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>PN Solar S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Quercus Italian Solar S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>TEK-UP S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
<i>Marilena Cederna</i>	<i>Medea S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
<i>Stefano Fiorini</i>	<i>Europrogetti &amp; Finanza S.r.l. in liquidazione</i>	<i>Liquidator</i>	<i>In office</i>
	<i>Assing S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Cipa S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Clio S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Elemaster S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Tecnologie Elettroniche Gia S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Gold Plast S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Iacobucci Hotel Firenze Aerospace S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Iniziativa Gestione Investimenti Società di Gestione del Risparmio S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>LEMPA75 S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Nuova Plast S.r.l.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Phoenix Asset Management S.p.A.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Rai Com S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>Taplast S.r.l.</i>	<i>Chairman of the Board of Statutory Auditors</i>	<i>In office</i>
	<i>Vimetc S.r.l.</i>	<i>Chairman of the Board of Statutory Auditor</i>	<i>In office</i>
<i>Giuseppina Manzo</i>	<i>Banca Ifis S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Bionengineering Laboratories S.r.l.</i>	<i>Standing Auditor</i>	<i>In office</i>
	<i>Inalca S.p.A.</i>	<i>Alternate Auditor</i>	<i>In office</i>
	<i>OCM S.p.A.</i>	<i>Standing Auditor</i>	<i>In office</i>

(xxvi) On page 129 of the Base Prospectus, the sub-section “Conflicts of Interest” shall be deleted and

replaced by the following:

**“Conflicts of Interest**

*Except for what is stated below, there are no potential conflicts of interest between any duties towards Italgas of the members of the Board of Directors, members of the Board of Statutory Auditors and Managers with Strategic Responsibilities of Italgas and their private interests and/or other duties.*

*Paolo Gallo, CEO and General Manager of Italgas, is also Chairman of the Board of Directors of Italgas Reti. As decided by the Board of Directors on 20 December 2016 and confirmed on 24 January 2019, the guidelines on the maximum number of offices a director or auditor can hold in other "significant companies" shall not apply for offices hold in companies belonging to the Italgas Group.*

*Maurizio Dainelli, member of the Board of Directors of Italgas, is also a manager at CDP.*

*Yunpeng He, member of the Board of Directors of Italgas, is also a member of the Board of Directors of CDP Reti and Snam.*

*Antonio Paccioretti, General Manager Finance and Services, is also a member of the Board of Directors of Italgas Reti and the Chairman of the Board of Directors of Medea and European Gas Network S.r.l..*

*Paolo Luigi Bacchetta is CEO of Italgas Reti.*

*Pier Lorenzo Dell’Orco, Executive Vice President Commercial Development, is also a member of the Board of Directors of Seaside and Medea, as well as Sole Director of Medea Newco.*

*Nunziangelo Ferrulli, Executive Vice President Institutional Relations and Regulatory Affairs, is also a member of the Board of Directors of Italgas Acqua.*

*Raffaella Marcuccio, Executive Vice President Procurement and Material Management, is also a member of the Board of Directors of Medea.*

*Alessio Minutoli, Executive Vice President Legal, Corporate and Compliance Affairs, is also a member of the Board of Directors of European Gas Network S.r.l..”*

**(xxvii)** On page 133 of the Base Prospectus, in the sub-section entitled “Managers with Strategic Responsibilities”, the table shall be deleted and replaced by the following:

<i>Name</i>	<i>Company</i>	<i>Office/Stake held</i>	<i>Status of the office / stakeholding as of 16 July 2019</i>
<i>Antonio Paccioretti</i>	<i>Italgas Reti</i>	<i>Director</i>	<i>In office</i>
	<i>Medea</i>	<i>Chairman of the BoD</i>	<i>In office</i>
	<i>European Gas Network</i>	<i>Chairman of the BoD</i>	<i>In office</i>
<i>Paolo Lugi Bacchetta</i>	<i>Italgas Reti</i>	<i>Chief Executive Officer</i>	<i>In office</i>
<i>Pier Lorenzo Dell’Orco</i>	<i>Medea</i>	<i>Director</i>	<i>In office</i>
	<i>Seaside</i>	<i>Director</i>	<i>In office</i>
	<i>Medea Newco</i>	<i>Sole Director</i>	<i>In office</i>
<i>Nunziangelo Ferrulli</i>	<i>Italgas Acqua</i>	<i>Director</i>	<i>In office</i>
<i>Raffaella Marcuccio</i>	<i>Medea</i>	<i>Director</i>	<i>In office</i>
<i>Alessio Minutoli</i>	<i>European Gas Network</i>	<i>Director</i>	<i>In office</i>

**(d) REGULATORY AND LEGISLATIVE FRAMEWORK**

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

- (i) On page 146 of the Base Prospectus, in the section entitled “*Regulatory - Tariffs*”, the table shall be deleted and replaced by the following:

End of TARIFF regulatory period	31 December 2019
Calculation of net invested capital recognised for regulatory purposes (RAB)	Re-evaluated historical cost Parametric method for centralised assets
Return on net invested capital recognised for regulatory purposes (real pre-tax WACC)	Distribution: 6.9% (year 2015) 6.1% (years 2016-2017-2018) 6.3% (year 2019) Metering: 7.2% (year 2015) 6.6% (years 2016-2017-2018) 6.8% (year 2019)
Incentives on new investments	Remuneration of investment year t-1 for time lag recognition (from 2013)
Efficiency factor (X FACTOR)	1.7% on distribution operating costs 0% on metering operating costs

- (ii) On page 150 of the Base Prospectus, in the section entitled “*Regulatory - Tariffs*”, sub-section “*Tariff Regulation of distribution and metering services for the regulatory period 2014-2019 for distribution service on ATEM*”, the following paragraphs shall be inserted after the last paragraph:

*“With Resolution 639/2018/R/com, published on 6 December 2018, the ARERA updated the base return rate (WACC) for the gas and electricity regulated businesses. For the year 2019 the WACC is set to 6.3% for distribution business and 6.8% for metering business.*

*With Resolution 645/2018/R/gas, published on 12 December 2018, the ARERA has redefined the reference tariffs for natural gas distribution and metering services for the years 2009-2017, on the basis of requests for rectification received from certain operators by 15 September 2018.*

*With Resolution 667/2018/R/gas, published on 27 December 2018, the ARERA 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 2019.*

*With Resolution 669/2018/R/gas, published on 20 December 2018, the ARERA updated obligations regarding smart meters installation, up to 85% of G4-G6 in 2020 for large companies.*

*With Resolution 98/2019/R/gas, published on 20 March 2019, the ARERA has approved the definitive reference tariffs for natural gas distribution and metering services for 2018.*

*With Resolution 128/2019/R/gas, published on 10 April 2019, the ARERA has approved the provisional reference tariffs for natural gas distribution and metering services for 2019.”*

## (e) TAXATION

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

- (i) On pages from 151 to 158 of the Base Prospectus, in the sub-section entitled “*Italian Taxation*”, each reference either to “*that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the “Finance Act 2017”)*”, to “*pursuant to Article 1, paragraphs 100 – 114, of Finance Act 2017*” and to “*that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017*” shall be deleted and replaced with the following:

*“that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 as subsequently amended and in Article 1(210-215) of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019”.*

- (ii) On page 155 of the Base Prospectus, in the sub-section entitled “*Italian taxation – Capital Gains Tax*”, the following sentences shall be deleted: (i) “*Capital losses realized from 1st January 2014 to 30 June 2014 may be offset against capital gains of the same nature realized after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses*”, (ii) “*Capital losses realised from 1 January 2014 to 30 June 2014 may be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses*” and (iii) “*Depreciations of the managed assets registered from 1 January 2014 to 30 June, 2014 may be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of 76.92 per cent. of the same depreciations in value.*”

- (iii) On page 158 of the Base Prospectus, in the sub-section entitled “*LUXEMBOURG TAXATION*”, the first sentence of the last paragraph shall be deleted and replaced with the following:

*“Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%.”*

- (iv) On page 159 of the Base Prospectus, the sub-section entitled “*U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT*” shall be deleted and replaced by the following:

### **“U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT**

*Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or*

*an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior the date that is two years after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register. Further, Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes. However, if additional Notes (as described under “Terms and Conditions of the Notes – Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes, including those Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.”*

**(f) GENERAL INFORMATION**

The section of the Base Prospectus entitled “*General Information*” shall be updated as follows:

- (i) On page 165 of the Base Prospectus, in the section entitled “*General Information*”, the paragraph entitled “*Significant or Material Adverse Change*” shall be deleted and replaced by the following:

**“*Significant or Material Adverse Change***

*There has been no significant change in the financial or trading position of the Italgas Group since 31 December 2018, and no material adverse change in the financial position or prospects of the Italgas Group since 31 December 2018.”*

\* \* \*

## **GENERAL INFORMATION**

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

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

Copies of the Base Prospectus, this First Supplement and all documents incorporated by reference in the Base Prospectus can be obtained from the registered offices of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and are available on the website of the Luxembourg Stock Exchange at *www.bourse.lu*.