

**Supplement No. 1 dated 29 January 2014 to the Base Prospectus dated 18 November 2013**



**SIAS S.p.A.**  
*(incorporated with limited liability under the laws of the Republic of Italy)*  
**€2,000,000,000**  
**Euro Medium Term Note Programme**

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This first supplement (the "**Supplement**") to the Base Prospectus dated 18 November 2013 (the "**Base Prospectus**"), constitutes a supplement to a base prospectus for the purposes of Article 16 of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and is prepared in connection with the €2,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of SIAS S.p.A. ("**SIAS**" or the "**Issuer**").

This Supplement has been prepared to (i) disclose certain recent developments in the business of SIAS and (ii) update certain information contained in the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement and references in the Base Prospectus, unless the context otherwise requires, to "this Prospectus" or "this Base Prospectus" shall mean the Base Prospectus as supplemented by this Supplement, including any documents incorporated by reference. The Base Prospectus is qualified in its entirety by any change made in this Supplement.

To the extent that there is any inconsistency between (A) any statement in, or attached to, or incorporated by reference in, this Supplement and (B) any other statement in, or attached to, or incorporated by reference in, the Base Prospectus, the statements under (A) above shall prevail.

SIAS accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of SIAS (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.

This Supplement and any document incorporated by reference and/or attached hereto, may include forward-looking statements with respect to future synergies, future financing activities, financial structure objectives and other future financial or business performance, conditions, strategies, expectations or goals. All statements that are not descriptions of historical facts are forward-looking statements, based on management's estimates, assumptions and projections that are subject to risks and uncertainties. These statements can generally be identified by the use of forward-looking terminology such as "believes", "expects", "intends", "may", "will", "should", or "anticipates" or similar terminology. No undue reliance should be made on such information and estimates.

Save as disclosed in this Supplement, there have been no other significant new factors and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which are capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

The language of this Supplement is English. Certain legislative references and technical terms may have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

With effect from the date of this Supplement the information appearing 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.

Copies of this Supplement may be inspected (i) (free of charge) during normal business hours at the registered offices of SIAS and (ii) at the specified offices of the Paying Agent for the time being in Ireland. This Supplement is also

available on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

Any websites referred to herein do not form part of this Supplement.

The date of this Supplement is 29 January 2014.

## INFORMATION INCORPORATED BY REFERENCE

**The information set out below supplements the section of the Base Prospectus headed “*Documents Incorporated by Reference*” on pages 24 and 25 of the Base Prospectus.**

The following document which has previously been published and has been filed with the Irish Stock Exchange, shall be incorporated in, and form part of, this Supplement:

- *“Information Document prepared pursuant to article 5 of the Regulation approved by Consob with Resolution 17221 of 12 March 2010, as amended, concerning capitalization and loan transactions and purchases of equity investments in Tangenziali Esterne di Milano S.p.A. and Tangenziale Esterna S.p.A.”* dated 2 December 2013: entire document.

The document incorporated by reference is available on the website of SIAS at: [http://www.grupposias.it/upload/pdf/documento\\_informativo\\_sias\\_021213\\_finale\\_eng\\_completo.pdf](http://www.grupposias.it/upload/pdf/documento_informativo_sias_021213_finale_eng_completo.pdf)

Accordingly, the Base Prospectus shall be read in conjunction with the Supplement and the document incorporated by reference referred to above.

## DESCRIPTION OF THE ISSUER

The information set out below supplements the section of the Base Prospectus headed “*Description of the Issuer*” on pages 73 to 118 of the Base Prospectus.

The paragraph headed “*Recent Developments*” on page 117 of the Base Prospectus shall be supplemented as follows:

### RECENT DEVELOPMENTS

#### TEM/TE transaction

On 25 November 2013, SIAS, SATAP and Intesa Sanpaolo S.p.A. (“**ISP**”) entered into an investment agreement (the “**Investment Agreement**”) and a five-year term shareholders’ agreement (the “**Shareholders Agreement**”) for the recapitalisation and a re-organisation of the corporate governance of Tangenziale Esterna Milano S.p.A. (“**TEM**”, as referred to on page 84 of the Base Prospectus), Tangenziale Esterna S.p.A. (the “**TE**”), Autostrade Lombarde S.p.A. (“**AL**”, as referred to on page 83 of the Base Prospectus) and Società di Progetto Autostrada Diretta Brescia Milano S.p.A. (“**BreBeMi**”). Such agreements are expected to allow for the strengthening of SIAS Group’s competitive position in the motorway segment in the Milan area, which is expected to be a strategic area of development for the country in the period leading up to Expo 2015.

#### *Brief overview of TEM, TE and BreBeMi*

**TEM** is a holding company established in 2002 to promote the construction of the external east ring road of Milan (*Tangenziale Est Esterna di Milano*) and, more generally, of the all external ring roads of the city. As at the date of this Supplement, TEM holds a 47.7% equity interest in TE.

**TE**, in turns, is the company holding the concession for the design, construction and management of the new east external ring road of Milan. The project envisages a 32 km stretch connecting Agrate Brianza (interconnection with the A4 motorway) and Melegnano (interconnection with A1 motorway) which will also be linked, through the so-called “Arco TEEM”, to the Brescia-Bergamo-Milano motorway. The works of the “Arco TEEM” and for the whole stretch are expected to be completed by 2014 and 2015, respectively. The TE concession is due to expire fifty years after the completion of the construction works.

In June 2013, TE was awarded a public grant of Euro 330 million pursuant to Law Decree No. 69/2013 (so-called “*Decreto del Fare*”) to be disbursed subject to certain conditions being met, including without limitation, the availability to TE of a medium/long term senior loan of approximately Euro 1 billion.

On 11 November 2013, Concessioni Autostrade Lombarde S.p.A. (“**CAL**”) and TE entered into the second additional deed to the Single Concession (*i.e.*, the agreement documenting the terms and conditions of the Concession). Attached to such additional deed is an updated version of the financial plan prepared, *inter alia*, to take into account the abovementioned Euro 330 million public grant. As at the date of this Supplement, the approval of such additional deed by the Ministry of the Infrastructure and Transport (the “**MIT**”) (which is a condition precedent for the disbursement of the abovementioned senior loan) has not occurred yet.

**BreBeMi** is a project company 79% owned by AL (a company in which SATAP and ISP hold, respectively, 13.4% and 42.5% equity interests) holding the concession for the design, construction and management of the motorway section linking Brescia directly to Milan – from the south ring road of Brescia to the new east ring road of Milan – approximately 62 km long. The works of this stretch are expected to be completed in the spring of 2014 and the concession is set to expire 19.5 years after the end of the construction works. As at the date of this Supplement, the rebalance of the financial plan of BreBeMi is under negotiations between BreBeMi and CAL (as grantor of the concession) in order to take into account (i) the reduction in traffic volumes, (ii) the increase in the costs for compulsory purchase of land (*espropriazione* pursuant to Italian law) and (iii) the increase of operational costs.

#### *The Investment Agreement*

Pursuant to the terms of the Investment Agreement, SIAS, SATAP and ISP subscribed for TEM’s share capital increase for an aggregate amount of Euro 96.1 million allocated as follows: Euro 45.6 million by SATAP, Euro 17.7 million by SIAS and Euro 32.8 million by ISP. Following the completion of such transactions, the SIAS Group (taking into consideration also the interest held by the affiliate company Itinera as a consequence of the agreement entered into with Impregilo S.p.A. described below) and ISP will in the aggregate hold a 59.1% equity interest in TEM, of which 40% will be held by the SIAS Group, 1.6% by Itinera and 17.5% by ISP.

The share capital increase has made it possible for TEM to subscribe for an aggregate amount of Euro 96.1 million the

share capital increase resolved upon by TE on 31 July 2013.

Furthermore, pursuant to the Investment Agreement, SIAS and ISP have also directly subscribed for TE's share capital increase for Euro 34.6 million and Euro 3.4 million respectively that, together with the underwriting of some TE shareholders for Euro 38.1 million and the contribution of TEM has made it possible for TE's share capital increase to be fully subscribed. Following the completion of the share capital increase, TE share capital is equal to Euro 464,945,000 (out of which Euro 281,236,251.41 is already paid up).

SIAS and ISP have also undertaken to grant to TE a subordinated shareholders loan for Euro 41.6 million and Euro 14.8 million, respectively. Based on the current financial plan, the "subordinated shareholders loan" is expected to amount to Euro 115 million. Pursuant to the Investment Agreement, SIAS has undertaken to provide an additional amount of the subordinated shareholders loan of Euro 8.5 million.

### ***The Shareholders Agreement***

The Shareholders Agreement is intended to govern, *inter alia*, the joint control of the parties thereto over TEM, TE, AL and BreBeMi and the related corporate governance. In particular, it provides that:

- (i) the SIAS Group (including Itinera, with regard to TE) be entitled to appoint 50% of the Directors of TEM and TE and two Directors in each of AL and BreBeMi and to designate the Chief Executive Officer for all the aforesaid companies;
- (ii) ISP be entitled to designate the Chairman of the Board of Directors of each of TEM, TE, AL and BreBeMi; and
- (iii) the parties to such agreement use their best efforts for the merger of TEM and AL to be completed and for the IPO of the shares of the entity resulting from the merger.

Furthermore, the Shareholders Agreement provides for exit rights exercisable in case of failure of the merger and the listing.

### ***Agreements between Itinera and Impregilo S.p.A.***

On 25 November 2013, Itinera (which is controlled by Argo Finanziaria) and Impregilo S.p.A. ("**Impregilo**") executed an agreement pursuant to which Impregilo has undertaken to sell and Itinera has undertaken to purchase all the equity interests held by Impregilo in TEM and TE for a total consideration of Euro 43.8 million. In particular, the holding in TEM is expected to be purchased by Itinera for a consideration of Euro 4.7 million (including the Euro 1.3 million share premium paid by Impregilo at the time of its purchase) while the consideration for the acquisition of the holding in TE is expected to amount to Euro 39.1 million (of which EUR 17.4 million plus interest accruing thereon will be settled by 31 October 2016). Such agreement further provides that, as a consequence of the acquisition by Itinera of the holding in Lambro S.c.ar.l., Itinera will replace Impregilo in the performance of the works relating to the construction of the motorway stretch that will be managed by TE (estimated to be approximately Euro 300 million).

### ***Impact of the TE/TEM transaction***

In the context of the aforesaid transaction the SIAS Group companies have assumed subscription and payment obligations which are not proportional to their respective holdings in TE.

The financial effects of the transaction related to the Investment Agreement and the Shareholders Agreement will impose on the SIAS Group an expenditure, in terms of equity commitments and subordinated shareholders loan, of Euro 168.2 million (inclusive of Itinera's portion and of the abovementioned additional subscription of the subordinated shareholders loan). Taking into consideration the investments already made in the Milan area, amounting to Euro 89.3 million (of which Euro 13 million by Itinera) and the commitments in terms of recapitalisation, the aggregate investment of the SIAS Group (including Itinera's portion) amounts to approximately Euro 300 million.

Given the complementary nature of the abovementioned transactions, any delay in the completion of the infrastructure relating thereto may entail reductions in the estimated traffic volumes with significant effects on the profitability of such transactions and on the ability to repay indebtedness incurred in connection therewith.

For further information on the economic and financial consequences on SIAS and on its separate and consolidated financial statements, and for additional information on the abovementioned transactions, see the "*Information Document prepared pursuant to article 5 of the Regulation approved by Consob with Resolution 17221 of 12 March 2010, as amended, concerning capitalization and loan transactions and purchases of equity investments in Tangenziali Esterne di Milano S.p.A. and Tangenziale Esterna S.p.A.*" dated 2 December 2013 and incorporated by reference into

this Supplement (see “Documents Incorporated by Reference”, above).

#### **SATAP - A4 section: additional deed and FP**

On 27 December 2013, SATAP and the *Struttura di Vigilanza sulle concessionarie Autostradali* (an internal body set up within the MIT) entered into an additional deed to the Single Concession signed on 10 October 2007. Furthermore, the Interministerial Decree dated 30 December 2013 approved the financial plan for the second regulatory period (2013 – 2017) to be attached to the additional deed. As at the date hereof such Decree is in the process of being registered with the Italian State Auditors’ Department (*Corte dei Conti*), following which the Decree will become effective.

The financial plan provides for investments of approximately Euro 630 million to be applied towards the completion and the modernisation of the “Novara - Milano” segment of the A4 motorway section over the period 2013 - 2017. The annual average tariff increase for the period 2013 – 2017 is equal to approximately 7% (without taking into account inflation) on the basis of an approximately 10.5% weighted average cost of capital.

#### **SATAP - A21 section: submission of an updated FP**

On 27 June 2013 SATAP submitted to the MIT the updated financial plan for the A21 section pursuant to CIPE Resolution No. 27/2013. Such financial plan provided for tariffs increases higher than 15% (without taking into account inflation) on the basis of, *inter alia*, an approximately 11% weighted average cost of capital.

On 30 December 2013, upon MIT request, SATAP submitted an updated financial plan for the 2013 – 2017 period with a view to containing the costs of transportation in the country and therefore easing the economic recovery. Such updated financial plan envisages a reduction of the tariffs increase for the 2014 - 2017 period (providing for a 4% increase, without taking into account inflation) and a compensation/termination value (*valore di subentro*) to be paid to the concessionaire upon expiry of the concession equal to approximately Euro 170 million (calculated by using the weighted average cost of capital of 11.18% and implying no change in the net present value of the cash-flows) (the “**Indemnity**”). In addition to the foregoing, the draft additional deed provides that: (i) the Concessionaire shall carry on the ordinary management until the concession is transferred to the incoming concessionaire subject to full payment of the Indemnity (in case of delay on payment of the Indemnity by the incoming concessionaire, the terminal value will be remunerated at the weighted average cost of capital of 11.18%) and (ii) should a new manager not be selected upon the expiry of the concession, the Concessionaire will get an extension of the maturity of the concession until the full recovery of the Indemnity (through cash flows).

The draft additional deed together with the updated financial plan attached thereto will need to be approved, with the prior advice of NARS (as defined in the Base Prospectus) and CIPE, pursuant to Article 43, paragraph 1 of Law Decree No. 201/2011. Therefore, MIT Decree No. 491 of 31 December 2013 (“**Decree No. 491**”) approving the tariffs increase for 2014 expressly has provided that the MIT shall submit to CIPE the additional deed together with the updated financial plan by 28 February 2014 and that such financial plan shall make it possible for SATAP to recover the balance between the increase provided in the updated financial plan and the increases granted by Decree No. 491 as from 2014.

#### **Tariffs applied by the Motorway Subsidiaries of the Group – Annual tariffs adjustment**

On 31 December 2013, the MIT, in agreement with the MEF, issued the decrees setting forth the 2014 tariff adjustments for the Group subsidiaries as follows.

<b>Concession Holder</b>	<b>Concession/Motorway</b>	<b>Tariff increase with respect to 2013</b>
SATAP	A4 Turin – Milan.....	5.27%
	A21 Turin-Alessandria-Piacenza.....	1.66%
ATS	A6 Turin- Savona .....	1.60%
SAV	A5 Quincinetto-Aosta, A5-SS27 ring road (G. S. Bernardo) .....	5.00%
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornarola-La Spezia .....	3.07%
ADF	A10 Savona-Ventimiglia .....	2.78%
CISA	A15 Parma-La Spezia.....	6.26%
AT-CN	A33 Asti-Cuneo.....	-

With respect to the A21 section managed by SATAP, pending the approval of the additional deed and the relevant updated FP, the tariff increase has been granted by MIT Decree No. 491 pursuant to the terms of the Single Concession

(*Convenzione Unica*) currently in force.

With reference to SAV, MIT Decree No. 493 granted a provisional 5% tariff adjustment despite the request for a higher increase filed by the company (approximately equal to 10.5%) and acknowledged by the *Struttura di Vigilanza sulle concessionarie Autostradali*. Such Decree provides that the balance be recovered in the context of the five-year update of the financial plan pursuant to CIPE Resolution No. 39/2007.

In relation to ATIVA (accounted for in the consolidated financial statements with the “equity method”), since the financial plan is currently under the process of being updated, the increase for the year 2014 has been granted pursuant to the Single Concession (*Convenzione Unica*) currently in force (+0.82%).

### Review of delegated powers

On 20 January 2014, SIAS’ Board of Directors resolved to review the delegation of powers within the Issuer’s management structure. In particular, the Board of Directors (i) confirmed the powers conferred to Mr Paolo Pierantoni in his capacity as Chief Executive Officer of SIAS, (ii) revoked the powers vested in Mr Alberto Sacchi in his capacity as Chief Executive Officer and (iii) granted Mr Alberto Sacchi the powers to coordinate and supervise the administrative, corporate, tax and finance sectors of SIAS. As a consequence, both the Board of Directors’ resolution of 28 April 2011, appointing Mr Alberto Sacchi as Chief Executive Officer and the Board of Directors’ resolution of 2 August 2012 granting him such powers, were revoked.

The following table sets out the current members of SIAS’ Board of Directors and their respective positions within the SIAS Group and replaces and supersedes the table included in the paragraph headed “*Corporate Governance*” on page 113 of the Base Prospectus.

<b>Name</b>	<b>Position</b>
Stefania Bariatti <sup>(1)</sup>	Chairman
Daniela Gavio <sup>(2)</sup>	Deputy Chairman
Paolo Pierantoni	Chief Executive Officer
Giovanni Angioni	Director
Enrico Arona	Executive Director
Alessandro Braja	Director
Ernesto Maria Cattaneo	Director
Stefano Caselli	Director
Beniamino Gavio	Executive Director
Nicola Paolantonio	Director
Ferruccio Piantini	Director
Giovanni Quaglia <sup>(3)</sup>	Executive Director
Alberto Sacchi <sup>(4)</sup>	Director
Graziano Settime	Director

(1) Ms Stefania Bariatti was appointed on 1 August 2013 in order to replace Mr Bruno Binasco, who resigned from his position on 29 July 2013, effective from 1 August 2013.

(2) Ms Daniela Gavio was appointed as Deputy Chairman on 1 August 2013.

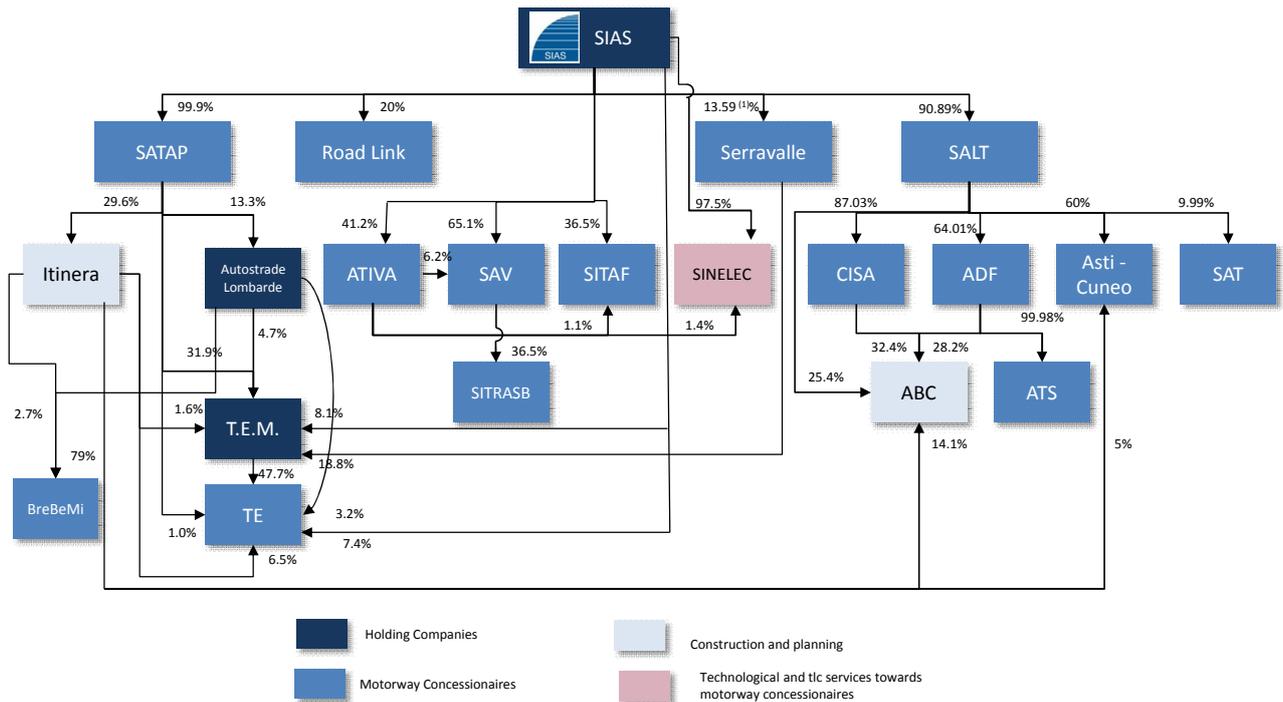
(3) Mr Giovanni Quaglia was co-opted as a Director by the Board of Directors meeting held on 21 February 2013 and the appointment was ratified by the shareholders' meeting held on 11 April 2013. Mr Giovanni Quaglia will hold such position until the shareholder's meeting called to approve SIAS' financial statements for the financial year ending 31 December 2013. The shareholders’ meeting held on 11 April 2013 resolved also to reduce the number of Directors from 15 to 14, following the resignation of Ms Maria Teresa Bocchetti.

(4) Mr Alberto Sacchi was the Chief Executive Officer of SIAS until 20 January 2014.

\* \* \*

### SIAS GROUP

The following diagram shows the principal subsidiaries of SIAS as at the date hereof.



1) Out of which 2.88% held by ADF

The above diagram replaces in its entirety the chart set forth on page 74 of the Base Prospectus.

\* \* \*

## MATERIAL CONTRACTS

The paragraph headed “*Material Contracts*” on pages 95 to 97 of the Base Prospectus shall be supplemented as follows.

For ease of reference, in order to facilitate the reading of the information so updated, the subparagraph headed “*Financing – Financing agreements*” shall be replaced and superseded as follows:

### *Financing – Financing agreements*

- In May 2011, SIAS entered into separate loan agreements for a total amount of up to Euro 500,000,000 to fund, through intercompany loans, the investments of SATAP, SALT, ATIVA, ADF and SAV. In particular: (i) facilities up to an aggregate amount of Euro 300,000,000 were granted by Mediobanca Banca di Credito Finanziario S.p.A. (“**Mediobanca**”), UniCredit S.p.A. (“**UniCredit**”) and CentroBanca Banca di Credito Finanziario e Mobiliare S.p.A. (“**Centrobanca**”, which is now part of UBI Banca - Unione di Banche Italiane S.c.p.A.), acting as intermediaries with regard to the funds made available by the European Investment Bank (the “**EIB**”), and (ii) further facilities up to an aggregate amount of Euro 200,000,000 made available to the Issuer directly by the EIB and guaranteed by SACE S.p.A. (“**SACE**”). The facilities under (i) and (ii) above are amortising facilities providing for maximum final repayment date in December 2024. The fulfillment of the payment obligations of SIAS *vis-à-vis* the financial institutions named under (i) and (ii) above is secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP, SALT, ATIVA, ADF and SAV. Mediobanca (in its capacity as lender), UniCredit, the entity which was Centrobanca, EIB and SACE acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 24 May 2011.
- In October 2012, SIAS and Cassa di Risparmio di Genova e Imperia S.p.A. (“**CARIGE**”) entered into a loan agreement pursuant to which CARIGE has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the “**CARIGE Loan 1**”). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the CARIGE Loan 1 shall then be on-lent by SIAS to ATIVA through an intercompany loan to fund ATIVA investments. The CARIGE Loan 1 is an amortising loan providing for a balloon repayment in August 2016; such balloon installment amount can be further amortised up to June 2020. The fulfillment of the payment obligations of SIAS *vis-à-vis* CARIGE under the CARIGE Loan 1 is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to ATIVA. CARIGE entered into the Intercreditor Agreement and assumed all rights and obligations arising

thereunder with effect from 2 October 2012. Upon a reorganisation of CARIGE, the CARIGE Loan 1 has been transferred to Banca Carige Italia S.p.A. by CARIGE.

- In October 2012, SIAS and Banco Bilbao Vizcaya Argentaria S.A. - BBVA, Milan Branch ("**BBVA**") entered into a loan agreement pursuant to which BBVA has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**BBVA Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the BBVA Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The BBVA Loan is an amortising loan providing for a bullet repayment in April 2014. The fulfillment of the payment obligations of SIAS *vis-à-vis* BBVA under the BBVA Loan is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. BBVA entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 9 October 2012.
- In November 2012, SIAS and Cassa di Risparmio di Genova e Imperia S.p.A. ("**CARIGE**") entered into a loan agreement pursuant to which CARIGE has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 60,000,000 (the "**CARIGE Loan 2**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the CARIGE Loan 2 were on-lent by SIAS to ADF through an intercompany loan to partially fund the acquisition of ATS. The CARIGE Loan 2 is an amortising loan providing for maximum final repayment date in June 2020. The fulfillment of the payment obligations of SIAS *vis-à-vis* CARIGE under the CARIGE Loan 2 is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to ADF. Upon a reorganisation of CARIGE, the CARIGE Loan 2 has been transferred to Banca Carige Italia S.p.A. by CARIGE.
- In January 2013, SIAS and Barclays Bank PLC ("**Barclays**") entered into a loan agreement pursuant to which Barclays has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**Barclays Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the Barclays Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The Barclays Loan provides for a bullet repayment in January 2015. The fulfillment of the payment obligations of SIAS *vis-à-vis* Barclays under the Barclays Loan is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. Barclays acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 25 January 2013.
- In October 2013, SIAS and Société Générale, Milan Branch ("**Société Générale**") entered into a loan agreement pursuant to which Société Générale has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**SG Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the SG Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The loan agreement provides for bullet repayment in April 2015. The fulfillment of the payment obligations of SIAS *vis-à-vis* Société Générale under the SG Loan is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. Société Générale entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 2 October 2013.
- In December 2013, SIAS and BNP Paribas ("**BNPP**") entered into a loan agreement pursuant to which BNPP has agreed to grant to SIAS a loan up to the maximum principal amount of Euro 50,000,000 (the "**BNPP Loan**"). Pursuant to the terms of the loan agreement, proceeds arising from the disbursement of the BNPP Loan shall then be on-lent by SIAS to AT-CN through an intercompany loan to fund AT-CN investments. The BNPP Loan provides for a bullet repayment in 10 December 2015. The fulfillment of the payment obligations of SIAS *vis-à-vis* BNPP under the BNPP Loan is secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. BNPP acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 10 December 2013.

For further information in respect of the Intercreditor Agreement and the *pro rata* recovery sharing mechanism among the Secured Creditors of SIAS, to be applied in case of enforcement of the relevant security interests upon occurrence of an enforcement event, see the Base Prospectus under "*General description of the Programme – Structural Overview*" and "*Condition 5 (Special Provisions of Secured Notes), paragraph (c) (Intercreditor Agreement)*".

## TAXATION

**The information set out below supplements the information included in the section headed “Taxation” on pages 124 to 131 of the Base Prospectus.**

For ease of reference, in order to facilitate the reading of the information so updated, the paragraphs headed “Stamp tax”, “Wealth tax on securities deposited abroad”, “Tax monitoring” and “EU Savings Tax Directive” shall be replaced and superseded as follows:

### **Stamp tax**

Article 19 of Decree 201 has introduced a stamp tax at proportional rates on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in Pension Funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year.

As of 2014, the stamp duty applies at a rate of 0.2 per cent. and cannot exceed euro 14,000; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

### **Wealth tax on securities deposited abroad**

Pursuant to Article 19 of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay a wealth tax at a rate of 0.2 per cent, as of 2014.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the country where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Tax monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided if, *inter alia*, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed euro 10,000.

Law 97 has introduced certain amendments to the tax monitoring regime, including, *inter alia*: (i) exclusion from the disclosure obligations of the inbound and outbound transfers and other transfers occurring abroad in relation to securities; (ii) inclusion within the disclosure obligations of investments held abroad: (a) not exceeding the euro 10,000 threshold and/or (b) held indirectly by the Italian investor (e.g. thorough a company or another entity). Such amendments apply as from 1 January 2014.

### **EU Savings Tax Directive**

Under the EU Savings Tax Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over the time to 35 per cent., unless in the case of Luxembourg the beneficial owner of the interest payments opts for one of the two optional information exchange procedures available. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The transitional period is to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States (including Switzerland), have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Tax Directive)

within its jurisdiction to or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.