

**Supplement No. 1 dated 8 March 2017 to the Base Prospectus dated 14 November 2016**



**A2A S.p.A.**

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

**€4,000,000,000**

**Euro Medium Term Note Programme**

This supplement (the **Supplement**) to the base prospectus dated 14 November 2016 (the **Base Prospectus**) constitutes a supplement to the Base Prospectus for the purposes of Article 16 of Directive 2003/71/EC, as amended by Directive 2010/73/EU, (the **Prospectus Directive**) as implemented by 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 EUR 4,000,000,000 Euro Medium Term Note Programme (the **Programme**) of A2A S.p.A. (**A2A** or the **Issuer**).

This Supplement has been prepared to: (1) disclose the results of the impairment process and the unaudited preliminary consolidated results of A2A as at 31 December 2016 referred to in the press release dated 27 February 2017 and headed “*The Board of Directors of A2A has approved the results of the impairment process and presents the preliminary data as at 31 December 2016*”, (2) disclose other significant new factors relating to A2A through the incorporation by reference of certain press release and update the section of the Base Prospectus headed “*Documents incorporated by reference*”, (3) include a new section in the Base Prospectus headed “*Presentation of the Preliminary Consolidated Results of A2A for the financial year ended 31 December 2016*”, (4) update the disclosure in the section of the Base Prospectus headed “*Taxation*”, (5) update the disclosure in the section of the Base Prospectus headed “*Description of the Issuer*”, (6) update the paragraph headed “*Significant or Material Adverse Change*” of the Base Prospectus and (7) update of the football page.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) as competent authority under the Prospectus Directive and the relevant implementing measures in Luxembourg to approve this Supplement.

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus. The Base Prospectus is qualified in its entirety by any change made in this Supplement. 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.

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

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.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in, or incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or attached to, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

Copies of this Supplement will be published on the Issuer's website ([www.a2a.eu](http://www.a2a.eu)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any websites referred to herein do not form part of this Supplement.

The date of this Supplement is 8 March 2017.

## DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus headed “*Documents Incorporated by Reference*” on pages 25 to 27 of the Base Prospectus.

“The following documents which have previously been published and have been filed with the CSSF shall be in their entirety incorporated by reference in, and form part of, this Base Prospectus:

- (a) the press release dated 27 February 2017 and headed “*The Board of Directors of A2A has approved the results of the impairment process and presents the preliminary data as at 31 December 2016*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2017/february/documents\\_pdf/270217\\_preliminary\\_date.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2017/february/documents_pdf/270217_preliminary_date.pdf);
- (b) the press release dated 29 November 2016 and headed “*EIB lends €50 million for A2A’s investment programme*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2016/november/documents\\_pdf/291116\\_EIB.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2016/november/documents_pdf/291116_EIB.pdf);
- (c) the press release dated 2 December 2016 and headed “*A2A S.p.A. announces final results and pricing of its tender offer*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2016/december/documents\\_pdf/021216\\_tender\\_en.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2016/december/documents_pdf/021216_tender_en.pdf);
- (d) the press release dated 29 December 2016 and headed “*Press release*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2016/december/documents\\_pdf/291216\\_trimestrali\\_eng.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2016/december/documents_pdf/291216_trimestrali_eng.pdf);
- (e) the press release dated 29 December 2016 and headed “*Press release*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2016/december/documents\\_pdf/291216\\_zMonfalcone\\_eng.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2016/december/documents_pdf/291216_zMonfalcone_eng.pdf);
- (f) the press release dated 31 January 2017 and headed “*Opinion of the Board’s orientation in relation to the qualitative/quantitative mix of the future Board of Directors*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2017/january/documents\\_pdf/310117\\_Comunicato\\_Orientamenti\\_eng.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2017/january/documents_pdf/310117_Comunicato_Orientamenti_eng.pdf);
- (g) the press release dated 22 February 2017 and headed “*2017 Financial Calendar of A2A S.p.A.*”, available at [http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press\\_release/year\\_2017/february/documents\\_pdf/220217\\_financial\\_calendar\\_2017integrato.pdf](http://www.a2a.eu/gruppo/export/sites/default/a2a/en/communication/press_release/year_2017/february/documents_pdf/220217_financial_calendar_2017integrato.pdf).

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).”

## **PRESENTATION OF THE PRELIMINARY CONSOLIDATED RESULTS OF A2A FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The following section headed “*Presentation of the Preliminary Consolidated Results of A2A for the financial year ended 31 December 2016*” shall be inserted on page xi of the Base Prospectus following the section headed “*Presentation of Financial and Certain Other Information*”.

### **“PRESENTATION OF THE PRELIMINARY CONSOLIDATED RESULTS OF A2A FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

This section has been prepared to comply with the applicable disclosure requirements under items 8.1 to 8.3 of Annex IX of Commission Regulation 809/2004.

The unaudited preliminary consolidated results of A2A for the financial year ended 31 December 2016, which are incorporated by reference herein (see the press release headed “*The Board of Directors of A2A has approved the results of the impairment process and presents the preliminary data as at 31 December 2016*” above) (the **Preliminary Consolidated Results**) have been drawn up on the basis of, and correspond to, the corporate documentary evidence, books and accounting records of A2A for the relevant period.

Such Preliminary Consolidated Results have been prepared applying accounting policies and criteria which are consistent with the accounting policies and criteria applied by A2A in preparing its historical consolidated financial statements. In this respect, reference shall be made to the consolidated annual financial statements of A2A for the financial year ended 31 December 2015 that are incorporated by reference in the Base Prospectus.

As the financial year to which the Preliminary Consolidated Results relate had already ended as at the date of their preparation and publication, no forecasts and assumptions have been considered for the purpose of their preparation.

However, it cannot be excluded that the figures to be included in the consolidated annual financial statements of A2A for the financial year ended 31 December 2016 may differ from the corresponding figures in the Preliminary Consolidated Results on the basis, *inter alia*, of:

1. events occurred, if any, after 27 February 2017 (the date on which the Preliminary Consolidated Results were published) which may require, in accordance with the applicable IAS/IFRS accounting principles, an adjustment with respect to (a) the valuation of assets and liabilities and the related components of the consolidated income statement or (b) the relevant information to be provided into the notes to the consolidated financial statements; and
2. possible adjustments or integrations of such figures or the relevant information which may be deemed necessary, following further review procedures on the accuracy of the information functional for the approval of the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2016 by the Board of Directors of A2A carried out by A2A and/or by the independent auditors of A2A after the date of approval of the Preliminary Consolidated Results.

The press release headed “*The Board of Directors of A2A has approved the results of the impairment process and presents the preliminary data as at 31 December 2016*” contains certain alternative performance measures (**APMs**) which differ from the IFRS-EU financial indicators adopted by A2A. For further information on such APMs and their purposes, see the last part of the above mentioned press release.”

## DESCRIPTION OF THE ISSUER

The paragraph headed “*Reference Shareholders*” on pages 124 and 125 of the Base Prospectus shall be deleted and replaced in its entirety by the following:

### “REFERENCE SHAREHOLDERS

As at the date hereof the majority of A2A voting share capital is held by two public shareholders (the Municipality of Brescia and the Municipality of Milan).

On 30 December 2013, the Municipality of Brescia and the Municipality of Milan have entered into a shareholders agreement concerning 1,566,452,642 ordinary shares (the **Public Shareholders’ Agreement**) having as subject matter the property structure and the corporate governance of A2A. The Public Shareholders' Agreement — which 25 per cent. plus one A2A voting shares held by each of the Municipality of Brescia and the Municipality of Milan are subject to — replaced and superseded all previous shareholders’ agreements. On 20 May 2016, the Municipalities of Milan and Brescia executed an amendment agreement to the Public Shareholders' Agreement according to which the term of six months before the expiry of the Public Shareholders' Agreement by which it is possible to cancel it, is replaced with a term of three months, without any other amendments to other provisions of the Public Shareholders’ Agreement, the duration of which remains unchanged at 31 December 2016. On 4 October 2016, the Municipality of Brescia and the Municipality of Milan communicated, pursuant to article 131 of CONSOB Regulation No. 11971/1999, the tacit renewal of the Public Shareholders Agreement for the 2017-2019 period, given that the period for serving notice of cancellation of the agreement (i.e. three months prior to the expiry of the Public Shareholders Agreement, being 30 September 2016) had passed.

In February 2017, following the proposal made by the Municipality of Brescia to the Municipality of Milan on 26 October 2016, the two Municipalities have entered into a new three year shareholders’ agreement (the **New Public Shareholders’ Agreement**) relating to the property structure and the corporate governance of A2A. The New Public Shareholders’ Agreement which replaces and supersedes all previous agreements between the Municipality of Brescia and the Municipality of Milan having the same subject matter, concerns 1,315,820,218 ordinary shares, corresponding to 42 per cent. of the corporate capital of A2A, conferred in the same proportion by the Municipality of Milan and the Municipality of Brescia. Pursuant to the New Public Shareholders’ Agreement, each of the Municipalities of Milan and Brescia undertook, *inter alia*, (i) not to enter into any agreement relating to A2A or its shares (including shareholders’ agreements) with third parties other than the other Municipality; (ii) not to exercise the voting rights attached to the ordinary shares not subject to the New Public Shareholders’ Agreement in a manner different from the voting rights attached to the ordinary shares concerned by the New Public Shareholders’ Agreement; (iii) to comply with certain rules in the appointment of the Board of Directors and the Statutory Auditors of A2A. The New Public Shareholders’ Agreement has a duration of three years and shall be considered renewed for periods of three years should no notice of cancellation be served six months prior to the relevant expiry date.

An excerpt of the New Public Shareholders' Agreement is available for inspection free of charge, as required by the Financial Services Act (as defined below), on the website of CONSOB (*Commissione Nazionale per le Società e la Borsa*) (**CONSOB**) and of the websites of the Municipality of Brescia and the Municipality of Milan.

According to communications provided pursuant to Article 120 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and available information, as at the date hereof shareholders with a shareholding exceeding 3 per cent. of the A2A voting capital were as follows:

<b>Declarer</b>	<b>Direct Shareholder</b>	<b>Type of shareholding</b>	<b>Percentage of voting capital</b>
Municipality of Brescia	Municipality of Brescia.....	Owner	<u>25.000%</u>
	Total.....		25.000%
Municipality of Milan	Municipality of Milan .....	Owner	<u>25.000%</u>
	Total.....		25.000%

As at the date hereof, A2A holds 23,721,421 treasury shares (61,917,609 as at 30 June 2016 and 26,917,609 as at 31 December, 2015), representing 0.7572 per cent. of the share capital consisting of 3,132,905,277 shares. For further information on transactions on treasury shares, see also “*Treasury shares buy-back programmes*” of the Base Prospectus.

The remaining percentage of shares is held by market investors.

Except the major shareholders mentioned above there are no other persons that have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of 11 January, 2008 on transparency requirements for issuers of securities, as amended.

A2A is not subject to the management and coordination of any company in accordance with Article 2497 *et seq.* of the Italian Civil Code. Moreover, A2A is not controlled by any other company.”

## TAXATION

The information set out below amends and supplements the sub-section headed “*Taxation in the Republic of Italy*” of the section of the Base Prospectus headed “*Taxation*” on pages 155 to 163 thereto.

- The following text is added after the first paragraph under the heading “*Tax treatment of the Notes – Italian Resident Noteholders*” on page 156 of the Base Prospectus.

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation relating to certain eligible financial instruments if the latter are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the **Finance Act 2017**). To date, lacking official clarifications on how to apply these rules, it is uncertain if the Notes may benefit from this specific regime.”

- The last sentence of the ninth paragraph of the paragraph headed “*Tax treatment of the Notes – Italian Resident Noteholders*” on page 156 of the Base Prospectus shall be deleted.

- The following text is added after the first paragraph under the heading “*Atypical securities*” on page 158 of the Base Prospectus

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation relating to the certain eligible financial instruments if the latter are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017. To date, lacking official clarifications on how to apply these rules, it is uncertain if the Notes may benefit from this specific regime.”

- The following text is added after the first paragraph under the heading “*Capital gains – Italian Resident individuals*” on page 158 of the Base Prospectus

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes on capital gains realised upon sale or redemption of certain eligible financial instruments if the latter are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017. To date, lacking official clarifications on how to apply these rules, it is uncertain if the Notes may benefit from this specific regime.”

- The last sentence of the ninth paragraph headed “*Capital Gains – Italian Pension Funds*” on page 159 of the Base Prospectus shall be deleted.

## GENERAL INFORMATION

The paragraph headed “*Significant or Material Adverse Change*” on page 169 of the Base Prospectus shall be deleted and replaced in its entirety by the following paragraphs:

### **Trend Information**

There has been no material adverse change in the prospects of A2A and the Group since 31 December 2015.

### **Significant change in the Issuer’s financial or trading position**

Save as disclosed in the sections headed “*Description of the Issuer – Further Relevant Information*” and “*Description of the Issuer – Significant events after 30 June 2016*” on, respectively, pages 119 and 121 above and the Supplement dated 8 March 2017, there has been no significant change in the financial or trading position of A2A and the Group since 30 June 2016.

In the foregoing statement required by the Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive, references to the “financial or trading position” is, in the interpretation of the Issuer, specifically to the ability of A2A to meet its payment obligations under the Notes in a timely manner.



## **FOOTBALL PAGE**

Any reference to Banca Akros S.p.A. – Gruppo Bipiemme – Banca Popolare di Milano in the football page on page 171, in the cover page and in any other relevant section of the Base Prospectus are substituted for Banca Akros S.p.A. Gruppo Banco BPM.