

**SUPPLEMENT DATED 4 MARCH 2013 TO THE BASE PROSPECTUS DATED 21 SEPTEMBER 2012 AND THE FINAL TERMS DATED 21 FEBRUARY 2013 RELATING TO THE SERIES 111 INSTRUMENTS**

**PALLADIUM SECURITIES 1 S.A.**

*(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg)*

**Up to EUR 100,000,000 Fixed Rate Notes due 2018  
(ISIN: XS0890308462)  
(the “Series 111 Instruments”)**

**to be issued under the**

**Programme for the issuance of Secured Notes**

This prospectus supplement (the “**Supplement**”) dated 4 March 2013 to (i) the base prospectus dated 21 September 2012 as supplemented by the first prospectus supplement dated 13 November 2012, the second supplement dated 13 December 2012 and the third supplement dated 30 January 2013 (together the “**Base Prospectus**”) and (ii) the Final Terms dated 21 February 2013 relating to the Series 111 Instruments issued under the Base Prospectus (the “**Final Terms**”) for the issuance of secured notes (which comprises a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”)) constitutes a prospectus 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.

This Supplement and the Base Prospectus are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and the Final Terms. Terms defined in the Base Prospectus and the Final Terms have the same meaning when used in this Supplement.

**Those amendments to the Final Terms mentioned in the Annex to this Supplement shall only apply to the Series 111 Instruments and the Final Terms with respect thereto.**

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

Further to its public offer of the Notes, the Issuer gives notice that the Interest Rates and Fixed Amounts with respect to the Series 111 Instruments are to be increased.

The purpose of this Supplement is to amend the Final Terms relating to the Series 111 Instruments to reflect the aforementioned change.

As a result of the above, with effect on and from 4 March 2013 the Final Terms will be amended as set out in the Annex to this Supplement.

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

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

In accordance with article 13 paragraph 2 Luxembourg act dated 10 July 2005 on prospectuses for securities, as amended, investors who have already agreed to purchase or subscribe for Instruments offered by way of a public offer before this Supplement is published shall have the right, exercisable within a time limit of two working days after the publication of this Supplement, i.e. until 7 March 2013, to withdraw their acceptances. This withdrawal right will only apply to those investors who have agreed to purchase or subscribe for the Instruments in accordance with the relevant Final Terms issued under the Base Prospectus before the publication of this Supplement.

## Annex

### Amendment of the Final Terms

The Final Terms are amended as follows:

- (i) paragraph 9 headed “Interest Basis:” on page 2 in Part A of the Final Terms shall be amended to read as follows:

9	Interest Basis:	2.25 per cent. Fixed Rate in respect of the first Interest Period;
		2.35 per cent. Fixed Rate in respect of the second Interest Period;
		2.45 per cent. Fixed Rate in respect of the third Interest Period;
		2.55 per cent. Fixed Rate in respect of the forth Interest Period;
		2.75 per cent. Fixed Rate in respect of the fifth Interest Period; and
		3.25 per cent. Fixed Rate in respect of the sixth Interest Period.

- (ii) paragraph 12(i) headed “Interest Rate:” on page 3 in Part A of the Final Terms shall be amended to read as follows:

(i) Interest Rate:	2.25 per cent. per annum payable in arrear annually in respect of the first Interest Period;
	2.35 per cent. per annum payable in arrear annually in respect of the second Interest Period;
	2.45 per cent. per annum payable in arrear annually in respect of the third Interest Period;
	2.55 per cent. per annum payable in arrear annually in respect of the forth Interest Period;
	2.75 per cent. per annum payable in arrear annually in respect of the fifth Interest Period; and
	3.25 per cent. per annum payable in arrear annually in respect of the sixth Interest Period.

(iii) paragraph 12(iv) headed “Fixed Amount(s):” on page 3 in Part A of the Final Terms shall be amended to read as follows:

- (iv) Fixed Amount(s):           The Interest Amount is :
- (a) EUR 13.75 in respect of the first Interest Period;
  - (b) EUR 23.44 in respect of the second Interest Period;
  - (c) EUR 24.43 in respect of the third Interest Period;
  - (d) EUR 25.50 in respect of the fourth Interest Period;
  - (e) EUR 27.50 in respect of the fifth Interest Period;
  - and
  - (f) EUR 32.50 in respect of the sixth Interest Period.

(iv) in the Annex to the Final Terms containing the issue specific Summary, in paragraph C.9, the paragraph entitled “*Interest Rate*” on page 21 shall be amended to read as follows:

*“Interest Rate*

The Interest Rate for the Instruments for the first Interest Period is 2.25 per cent.per annum. The Interest Rate for the Instruments for the second Interest Period is 2.35 per cent per annum. The Interest Rate for the Instruments for the third Interest Period is 2.45 per cent per annum. The Interest Rate for the Instruments for the forth Interest Period is 2.55 per cent per annum. The Interest Rate for the Instruments for the fifth Interest Period is 2.75 per cent per annum. The Interest Rate for the Instruments for the sixth Interest Period is 3.25 per cent. Yield is calculated in accordance with the ICMA Method. The ICMA Method determines the effective interest rate for the securities taking into account accrued interest on a daily basis.”.

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