

NOTICE TO HOLDERS OF

Palladium Securities 1 S.A. (acting in respect of Compartment 121-2013-21) (the “Issuer”)

**Up to EUR 150,000,000 CMS Structured Floating Rate Instruments
due 2021 (the “Instruments”)**

ISIN: XS0960970001

Palladium Securities 1 S.A. (acting in respect of Compartment 121-2013-21) wishes to announce that the Supplement dated 29 August to the Base Prospectus dated 25 July 2013 for the issuance of secured notes by Palladium Securities 1 S.A. contains an error. The replacement definition of “Regulatory Event” contained within the Supplement makes reference to Deutsche Bank AG, London Branch acting in its capacity as “Advisor”. This replacement definition should instead make reference to Deutsche Bank AG, London Branch acting in its capacity as “Arranger”. The same error is contained within the paragraph entitled “Redemption at option of the Issuer for Regulatory Event” in Element C.9 of the Summary to the Base Prospectus.

Dated: 2 September 2013