



PRYSMIAN S.p.A.

(incorporated with limited liability in the Republic of Italy)

€750,000,000 2.500 per cent. Notes due 11 April 2022

Issue price: 99.002 per cent.

The €750,000,000 2.500 per cent. Notes due 11 April 2022 (the **Notes**) are issued by Prysmian S.p.A. (the **Issuer**).

The Notes will bear interest from and including the Issue Date (as defined below) at the rate of 2.500 per cent. per annum, payable annually in arrears on 11 April of each year, commencing on 11 April 2016, all as more fully described in "*Conditions of the Notes—Interest*". Interest payments to certain Noteholders may be subject to Italian substitute tax (*imposta sostitutiva*) as more fully described in "*Conditions of the Notes—Taxation*" and "*Taxation—Taxation in Italy - Tax treatment of the Notes*". Unless previously redeemed, repurchased or cancelled, the Notes will be redeemed at 100 per cent. of their principal amount on 11 April 2022. The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, in the event of certain tax changes as described under "*Conditions of the Notes - Redemption and Purchase*".

Noteholders may require the Issuer to redeem their Notes upon the occurrence of a Change of Control as described in "*Conditions of the Notes – Redemption at the Option of the Holders upon a Change of Control*". If 90 per cent. or more in aggregate principal amount of Notes is redeemed as a result of the occurrence of such event, then the Issuer may redeem all the remaining Notes (see Condition 6.3). The Notes mature on 11 April 2022.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005, as amended (the **Luxembourg Act**) on prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market. By approving this Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act.

References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 9 April 2015 (the **Issue Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the

Temporary Global Note, the **Global Notes**), without interest coupons, on or after 19 May 2015 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances – see "*Overview of Provisions relating to the Notes while represented by the Global Notes*".

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 7.

Joint Lead Managers and Bookrunners

Banca Akros– Gruppo Bipiemme – Banca Popolare di Milano	Banca IMI	Citigroup	Crédit Agricole CIB	ING	UniCredit Bank
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The date of this Prospectus is 8 April 2015

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**) and for the purposes of the Luxembourg Act.

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

The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes, that the information contained or incorporated in this Prospectus is true, accurate and not misleading in all material respects, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer accepts responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

None of the Joint Lead Managers (as described under "*Subscription and Sale*", below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. No Joint Lead Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer or any of the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of

the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom and Italy), see "*Subscription and Sale*".

IN CONNECTION WITH THE ISSUE OF THE NOTES, ING BANK N.V. AS STABILISATION MANAGER (THE STABILISATION MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this document to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown

as totals in certain tables, including percentages, may not be an arithmetic aggregation of the figures which precede them.

CONTENTS

	Page
Risk Factors	7
Documents Incorporated by Reference	17
Conditions of the Notes	18
Overview of Provisions relating to the Notes while represented by the Global Notes	32
Use of Proceeds.....	35
Description of the Group	36
Description of the Issuer	61
Taxation	80
Subscription and Sale.....	88
General Information.....	91

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in "Conditions of the Notes" shall have the same meanings in these risk factors.

Factors that may affect the ability of the Issuer to fulfil its obligations under the Notes

The Group faces competition and pricing pressures in certain of its leading businesses

Certain of the Group's products, principally in the Trade & Installers and Power Distribution business lines, are produced in accordance with specific industrial standards and so are essentially interchangeable with similar products made by the Group's major competitors. In such cases, pricing is a decisive factor in the competitiveness of products. A combination of factors, such as possible contractions in demand and the entry into mature markets of new competitors (mostly small to medium manufacturing companies that have low production costs and need to exhaust production capacity), translate into strong competitive pressure on prices, with potential consequences for the Group's expected margins.

Furthermore, although the existence of certain barriers to entry (such as those linked to difficult to replicate ownership of technology, know-how and track record) may limit the number of operators able to compete effectively on a global scale in high value-added segments (such as high voltage underground cables, optical cables, and, to a much lesser extent, submarine cables), the Group cannot exclude either the entry into these market segments of new competitors or an intensification in the competition from operators already on the market, with potential consequences for the Group's expected sales volumes and sales prices.

The Group may not be able either to reduce its costs in a manner sufficient to offset reduced demand and increased pricing pressure or to effectively limit the greater competition from both new operators and/or existing operators, which could have a material adverse effect on its financial condition and results of operations.

Market conditions directly affect demand for products

Factors such as changes in GDP and interest rates, credit availability, costs of raw materials, and overall levels of energy consumption significantly affect the energy demand of countries and, in turn, coupled with continuing economic difficulties, reduce their levels of investment. Similarly, government incentives for developing alternative energy sources are also reduced. The Prysmian Group's submarine cable business (and to a lesser extent its high voltage cable business) is affected by the contraction of demand in the European market, on which it is focused, due to the ongoing local economic downturn. While the Prysmian Group is pursuing a policy of geographical diversification

towards non-European countries (e.g. Vietnam, Philippines, etc.) and rationalising its production structure globally in order to reduce costs, declining demand and challenging macroeconomic conditions in Europe could have a material adverse effect on the financial condition and results of operations of the Prysmian Group.

The Group faces risks from its dependence on key customers in its SURF business

In its SURF (subsea umbilical, riser and flowline cables) business, the Prysmian Group faces risks from its dependence on its relationship with Petrobras, a Brazilian oil company, for the supply of umbilical cables and flexible pipes, which are developed and manufactured at a factory in Vila Velha, Brazil. A decline in demand for umbilical cables and/or a change in technological demand for flexible pipes by Petrobras could in the short to medium term have an impact on the sustainability of the Group's business in Brazil.

Disruption in emerging markets where the Group operates could affect its business

The Prysmian Group operates and has production facilities and/or companies in Asia, Latin America, the Middle East and Eastern Europe. The Group's activities in these regions are exposed to different risks, linked to local regulatory and legal systems, the imposition of tariffs or taxes, political and economic instability, and exchange rate fluctuations. Significant changes in the macroeconomic, political, tax or legislative environment could have an adverse impact on the Group's business, results of operations and financial condition.

The Group faces risks associated with sources of financing

As at 31 December 2014, the Prysmian Group's total financial resources, comprising cash and cash equivalents and undrawn committed credit lines, exceeded Euro 1,000 million.

In particular, as of the date hereof, the Group's main sources of financing are the following: (i) a five-year revolving credit facility for Euro 1,000 million from a syndicate of leading banks (entered into by the Issuer in June 2014), (ii) a five-year revolving facility for Euro 100 million from Mediobanca – Banca di Credito Finanziario S.p.A. (entered into by the Issuer in February 2014), (iii) a seven-year loan for Euro 100 million from the European Investment Bank (EIB) (entered into by the Issuer in December 2013), (iv) a five-year long-term loan agreement for Euro 800 million with a syndicate of leading banks (entered into by the Issuer in March 2011), (v) a five-year unrated Eurobond for Euro 400 million placed with qualified investors (issued by the Issuer in April 2010), and (vi) a five-year convertible bond for Euro 300 million placed with qualified investors (issued by the Issuer in March 2013).

The contractual documentation relating to the above sources of financing contains a series of financial and non-financial covenants, including ratios of earnings to debt, with which the Prysmian Group must comply and which could restrict the Group's ability to increase its net debt.

Furthermore, although the above restrictions are subject to materiality exceptions and qualifications, breach of any of the covenants could result in an event of default under the relevant contractual documentation. If repayment of the indebtedness were to be accelerated (and therefore fall due immediately), the Prysmian Group can offer no assurances that its assets would be sufficient to repay such indebtedness in full.

Results of the Group's operations may be affected by exchange rate fluctuations

The Prysmian Group operates internationally and is therefore exposed to exchange rate risk in respect of the various currencies in which it operates (principally the United States Dollar, British Pound, Brazilian Real, Turkish Lira and Chinese Renminbi). To manage exchange rate risk arising from

future trade transactions and from the recognition of foreign currency assets and liabilities, most Prysmian Group companies use forward contracts arranged by Group Treasury, which manages the various positions in each currency. However, since the Group prepares its consolidated financial statements in Euro, there is a risk that fluctuations in the exchange rates used to translate the financial statements of subsidiaries, which were originally calculated in a foreign currency, could adversely affect the Group's results of operations and financial condition.

The Group faces interest rate risk

Changes in interest rates affect both the market value of the Prysmian Group's financial assets and liabilities and its net finance costs. The interest rate risk to which the Group is exposed relates mainly to long-term financial liabilities, which bear both fixed and variable rates. Fixed rate debt exposes the Group to fair value risk, while variable rate debt exposes it to rate volatility risk (cash flow risk). The Group uses interest rate swaps (IRS) to hedge this risk, transforming variable rates into fixed ones and reducing rate volatility risk. Under the IRS contracts, the Group agrees with the other parties to swap on specific dates the difference between the contracted fixed rates and the variable rate calculated on the loan's notional value. The protection offered by IRS contracts is limited in amount and in time and, as a result, fluctuations in interest rates, including a potential rise in rates from the record lows reached in recent years, may have a material negative impact on the Group's financial condition and results of operations.

The Group faces potential credit risk

The Prysmian Group faces risk from exposure to potential losses arising from the failure of trade or financial counterparties to discharge their obligations. The Group has procedures for ensuring that its trade counterparties are of recognised reliability and that its financial counterparties have high credit ratings. In addition, the Group has a global trade credit insurance policy covering all its operating units. While the Prysmian Group does not have significant concentrations of credit risk, were a significant counterparty to default such risk could negatively affect the Group's financial condition and results of operations.

The Group is subject to seasonal liquidity risk

The Prysmian Group's working capital needs generally increase during the first half of each year as relevant Group companies build up their product inventory in response to and in anticipation of customer orders that have historically been concentrated in the first half of each year, whereas they tend to decrease during the fourth quarter of each year. The increase in working capital needs in the first half of each year typically leads to temporary increases in its net financial position (i.e. higher indebtedness) during this period. The Group seeks to manage its working capital requirements by maintaining an adequate level of liquid assets, short term investments and committed credit lines but there can be no assurance that such measures will be sufficient to manage liquidity risk.

The Group is exposed to fluctuations in commodity prices

The main commodities purchased by the Prysmian Group are copper and aluminium accounting, as of 31 December 2014, for more than 50% of the Group's total raw materials used to manufacture its products. The Group manages the impact of possible rises in the price of copper and its other principal raw materials through hedging activities and automatic sales price adjustment mechanisms. However, even if hedging is used, where there are significant fluctuations in commodity prices this can have a considerable impact on the Group's margins and working capital.

In addition, there is also a risk that if the oil price were to stabilise at current levels this could make the extraction market less appealing, which in turn could adversely affect revenues from the SURF and Oil & Gas businesses.

Many of the Group's products expose it to product liability risks

Many of the Prysmian Group's products expose it to product liability risks or allegations that such products could cause harm to persons and property, with potential civil and criminal liabilities to clients and third parties in the countries where the Group operates. The Group's current policy is to maintain product liability insurance at a level that it believes is consistent with current industry practice. However, there is no guarantee that current insurance coverage is sufficient to meet claims that may be filed against the Group, or that the Group will be able to obtain or maintain insurance on acceptable terms or at appropriate levels in the future. A successful product liability claim against a Group company could have a material adverse effect on the Group's business, financial condition and results of operations. Moreover, a judgment against a Group company in such a liability claim could result in a loss of reputation and marketability for the Group.

The Group may be subject to claims under certain of its contracts with customers

Some of the Group's contracts with customers for the production and/or installation of products contain penalty clauses that are triggered in the event the relevant Group company is unable to meet agreed delivery times or quality commitments. Projects relating to submarine or underground connections with high/medium voltage cables are especially likely to feature contractual forms that entail "turnkey" project management. Any such penalty payments, compensation for damages and the impact that delays have on final delivery could adversely affect the Group's financial condition and results of operations. In addition, possible damage to market reputation cannot be ruled out.

In particular, due to technical problems encountered by the Group in its manufacture and supply of cables for the Western HVDC Link project in the United Kingdom, the Group experienced an overall negative impact of Euro 94 million during 2014.

If further technical problems on the Western HVDC Link project are encountered in the future this would have a material adverse effect on the Group's financial condition and results of operations.

The Group is exposed to business interruption risk in its submarine cables business through dependence on key assets

The Prysmian Group's submarine cables business is heavily dependent on certain key assets, such as the Arco Felice plant in Italy (for the production of a particular type of cable) and the "Giulio Verne" and the "Cable Enterprise" (its cable-laying ships, some of whose technical capabilities are hard to find on the market). Any material unanticipated or prolonged interruption of operations of such assets would have a material adverse effect on the Group's financial condition and results of operations.

The Group's production activities expose it to environmental risks

As at 31 December 2014, the Prysmian Group's production activities were conducted across more than 89 plants in Italy and abroad and adhere to specific environmental regulations, in particular those relating to soil and subsoil, and the presence/use of hazardous materials and substances.

An accident at one of the Group's plants could have an impact both on the environment and on the relevant plant's continuity of production, which could also expose the Group to severe economic and reputational consequences and have a material adverse effect on the Group's results of operations and financial condition.

The Group is subject to compliance risk

The Prysmian Group operates globally and maintains a code of ethics to ensure compliance with all current regulations by parties engaged in activities on its behalf and has instituted organisational mechanisms to prevent violations of the principles of legality, transparency, fairness and honesty. While the Group is committed to complying with applicable regulations it is not possible to exclude future episodes of non-compliance or violations of laws, regulations, procedures or codes of conduct by those performing activities on the Group's behalf, which could result in judicial sanctions, fines or reputational damage and have a material adverse effect on the Group's results of operations and financial condition.

The Group is exposed to legal and tax proceedings

In connection with their business, Prysmian S.p.A. and certain Prysmian Group companies are currently involved in tax and legal proceedings (involving civil and administrative actions), in respect of some of which it may not be possible to quantify the risk of damages or penalties. In the event of an adverse outcome to such proceedings, the reserves allocated to cover damages and penalties may not be sufficient and this could have a material adverse effect on the Group's financial condition and results of operations.

Risk of non-compliance with antitrust law

Its strong international presence in more than 50 countries means the Group is subject to antitrust law in Europe and every other country in the world in which it operates, each with more or less strict rules on the civil, administrative and criminal liability of the perpetrators of anti-competitive practices. In the last decade, local antitrust authorities have shown increasing attention to commercial activities by market players, also revealing a tendency for international collaboration between authorities themselves.

The geographical distribution of its employees, the lack of knowledge at times of local regulations as well as market dynamics, make it difficult to monitor anti-competitive conduct by third parties like suppliers and competitors, exposing the Group to the risk of incurring economic sanctions with extremely high negative repercussions for the Group's reputation and a potential material adverse effect on the Group's financial condition and results of operations.

For details of investigations and legal proceedings relating to the Group please see "*Description of the Group – Legal Proceedings – Antitrust Matters*".

Risks in relation to acquisitions

The Group reviews potential acquisition targets on an ongoing basis. Where the Group acquires subsidiaries, the integration of these acquisitions can involve integration challenges, particularly where management information and accounting systems differ materially from those used elsewhere in the Group. It is also possible that unanticipated problems can be discovered in one or more of the acquired entities. In addition, the Group may from time to time incur additional indebtedness to finance acquisitions. The Group is therefore exposed to risks in relation to acquisitions which may have a material adverse effect on the Group's financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes do not contain limitations on the Issuer's incurrence of additional debt in the future

The Conditions of the Notes do not contain any restriction on the amount of indebtedness which the Issuer and its Subsidiaries may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness and, accordingly, any increase in the amount of the Issuer's unsecured senior indebtedness in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 3 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer and its Subsidiaries over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

The claims of Noteholders are structurally subordinated with respect to Subsidiaries of the Issuer

The operations of the Group are principally conducted through Subsidiaries of the Issuer. Noteholders will not have a claim against any Subsidiaries of the Issuer. The assets of the Issuer's Subsidiaries will be subject to prior claims by creditors of those Subsidiaries, whether such creditors are secured or unsecured.

The Notes are not rated

Neither the Notes nor the long-term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax.

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, as specifically set out in Condition 7 (*Taxation*).

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax overview contained in this Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Italian substitute tax

Italian substitute tax is applied to payments of interest and other income (including the difference between the redemption amount and the issue price) at a rate of 26 per cent. to (i) certain Italian resident Noteholders and (ii) certain non-Italian resident Noteholders who have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, inter alia, that he or she is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these

new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Because the Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by the Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the bearer of the Global Note through Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. As such, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing on the official list and trading on the Luxembourg Stock Exchange's regulated market, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

The Notes are fixed rate securities and are vulnerable to fluctuations in market interest rates

The Notes will carry fixed interest. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the **Market Interest Rate**). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes

The ability to transfer the Notes may also be restricted by securities laws or regulations of certain jurisdictions or regulatory bodies. See "*Subscription and Sale*".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**Securities Act**) or any state securities laws or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States or for the account or benefit of a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each Noteholder to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see "*Subscription and Sale*".

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Issuer may redeem the Notes prior to maturity

The Conditions of the Notes provide that the Issuer may at its option redeem the Notes prior to maturity (a) for taxation reasons as described in Condition 6.2 (*Redemption for Taxation Reasons*) or (b) if 90 per cent. or more in principal amount of the outstanding Notes have been redeemed following exercise of the Put Option by the Noteholders as set out in Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*), but in no other circumstances. Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the cross-reference tables below, which is contained in the following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF, shall be incorporated in, and form part of, this Prospectus.

Any information contained in the following documents, but not included in the cross- reference tables set out below is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) 809/2004. Certain of the documents set out below are direct translations into English from the original documents. The Issuer has accepted responsibility for the accuracy of such translations.

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2014:

Consolidated Statement of Financial Position	Page 139
Consolidated Income Statement	Page 140
Consolidated Statement of Comprehensive Income	Page 141
Consolidated Statement of Changes in Equity	Page 142
Consolidated Statement of Cash Flows	Page 143
Explanatory Notes	Pages 144 to 272
Audit Report	Page 274 to 276

- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2013:

Consolidated Statement of Financial Position	Page 118
Consolidated Income Statement	Page 119
Consolidated Statement of Comprehensive Income	Page 120
Consolidated Statement of Changes in Equity	Page 121
Consolidated Statement of Cash Flows	Page 122
Explanatory Notes	Pages 123 to 231
Audit Report	Pages 235 to 237

Following the publication of this Prospectus, but prior to the date on which the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 13 of the Luxembourg Act. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer, from the specified office of the Paying Agent for the time being in Luxembourg and from the website of the Luxembourg Stock Exchange at www.bourse.lu.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €750,000,000 2.500 per cent. Notes due 11 April 2022 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 13 and forming a single series with the Notes) of Prysmian S.p.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 9 April 2015 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Citibank, N.A., London Branch as fiscal agent and principal paying agent (the **Fiscal Agent**) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000. Each Note will be issued with Coupons attached. Notes of one denomination may not be exchanged for Notes of another denomination.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

Notes shall not be physically delivered in Belgium except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

1.3 Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. NEGATIVE PLEDGE

3.1 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will not, and the Issuer will procure that none of its Material Subsidiaries (as defined in Condition 9.2) will, create or have outstanding any Security Interest (other than a Permitted Security Interest) upon, or with respect to, any of their present or future business, undertakings, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness of the Issuer or any of its Material Subsidiaries, unless the Issuer at the same time or prior thereto procures that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

3.2 Interpretation

For the purposes of these Conditions:

Business Day means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place;

Joint Venture means any joint venture entity, partnership or similar person, the ownership of or other interest in which does not require the Issuer or any of its Subsidiaries to consolidate the results of that person with its own as a Subsidiary;

Non-recourse Securitisation means any limited recourse securitisation by the Issuer or any of its Subsidiaries of receivables arising from their trading activities involving the sale on a non-recourse basis of those receivables, directly or indirectly, to special purpose companies;

Permitted Security Interest means:

- (a) any Security Interest arising by operation of law;
- (b) any Security Interest existing at 9 April 2015, so long as such Security Interest secures only the indebtedness that it secured at that date;
- (c) any Security Interest created by any entity upon the whole or any part of its undertaking or assets and subsisting at the time such entity (i) merges or consolidates with or is demerged, contributed or merged into or transferred to the Issuer or a Subsidiary, or (ii) becomes a Material Subsidiary of the Issuer or (iii) sells, contributes or transfers all or substantially all of its assets to the Issuer or a Material Subsidiary, provided that such Security Interest was not created in connection with, or in contemplation of, such merger, consolidation, demerger, contribution, transfer or sale or such entity becoming a Material Subsidiary and provided further that the amount of Relevant Indebtedness secured by such Security is not subsequently increased;
- (d) any Security Interest of the type and over the assets which are the subject of a Non-recourse Securitisation; and

- (e) any Security Interest given over shares of any Joint Venture to secure indebtedness of that Joint Venture provided that recourse under such Security Interest is limited to the assets and shares of and debt lent to the relevant Joint Venture.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) of any Person for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

Subsidiary means *società controllata*, as defined in Article 2359, first and second paragraphs, of the Italian Civil Code.

4. INTEREST

4.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 9 April 2015 at the rate of 2.500 per cent. per annum, payable annually in arrear on 11 April (each an **Interest Payment Date**). The first payment (for the period from and including 9 April 2015 to but excluding 11 April 2016 and amounting to €25.14 per €1,000 principal amount of Notes) shall be made on 11 April 2016.

4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS

5.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

5.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET2 system.

5.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

5.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

5.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 8):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

5.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the Luxembourg Stock Exchange or other relevant authority or other stock exchange on which the Notes are listed or admitted to trading from time to time;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 11 April 2022.

6.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 8 April 2015, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two directors of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

6.3 Redemption at the Option of the Holders upon a Change of Control

A Put Event will be deemed to occur if any Person or group of Persons acting in concert gains control of the Issuer (a **Change of Control**).

In this Condition 6.3:

acting in concert means acting together pursuant to an agreement or understanding (whether formal or informal);

control means owning more than 50 per cent. of the voting share capital of the Issuer or having the right to appoint by contract or otherwise a majority of the board of directors of the Issuer.

If a Put Event occurs, each Noteholder shall have the option (a **Put Option**) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6.2 above) to require the Issuer to redeem (or, at the Issuer's option, to purchase) the Notes held by it (in whole but not in part) on the date (the **Put Date**) which is seven days after the expiration of the Put Period (as defined below) at their principal amount together with interest accrued to (but excluding) the date of redemption.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 11 specifying (i) that Noteholders are entitled to exercise the Put Option; (ii) all information material to Noteholders in relation to the Change of Control; and (iii) the procedure for exercising the Put Option.

To exercise the Put Option, the holder of the Notes must deliver at the specified office of any Paying Agent on any Business Day at the place of such specified office falling within the period of 90 days following the date of the Put Event Notice (the **Put Period**), a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear Banking S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), be any form acceptable to Euroclear and Clearstream, Luxembourg delivered in a manner acceptable to Euroclear and Clearstream, Luxembourg) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes and all Coupons appertaining thereto or evidence satisfactory to the Paying Agent concerned that such Notes and all Coupons appertaining thereto will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 11, redeem or (or, at the Issuer's option, purchase), all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

6.4 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.5 Cancellations

All Notes which are redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.4 above shall be forwarded to the Fiscal Agent and accordingly may not be reissued or resold.

6.6 Notices Final

Upon the expiry of any notice as is referred to in paragraph 6.2 or 6.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph (in the case of paragraph 6.3, save as otherwise provided therein).

7. TAXATION

7.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of, a holder who is (i) liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon, or (ii) entitled to avoid such deduction or withholding by making a declaration of non-residence or similar claims or exemptions; or
- (b) presented for payment in the Republic of Italy; or
- (c) on account of *imposta sostitutiva* pursuant to Legislative Decree No. 239 of 1 April 1996 (as, or as may subsequently be, amended or supplemented) and related regulations of implementation which have been or may subsequently be enacted (**Legislative Decree 239**) with respect to any Note or Coupon, including all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Legislative Decree 239, have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (d) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities according to Article 6 of Legislative Decree 239; or
- (e) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 5); or

- (f) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (g) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

For the avoidance of doubt, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of US Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions) or pursuant to any agreement with the US Internal Revenue Service (**FATCA withholding**) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party.

7.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 11; and
- (b) **Relevant Jurisdiction** means Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

7.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

8. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5.

9. EVENTS OF DEFAULT

9.1 Events of Default

The holder of any Note may give notice to the Issuer in accordance with Condition 11.2 that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or

- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if:
 - (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) except for an event of default in respect of Indebtedness for Borrowed Money of a Material Subsidiary triggered by a change of control of such company arising as a result of its acquisition by, merger or consolidation with, or contribution or transfer to, the Issuer or any of its Subsidiaries and which, as a result of such acquisition, merger, consolidation, contribution or transfer, has become a Material Subsidiary, but only if such Indebtedness for Borrowed Money which has so become due and repayable prematurely is paid in full on the due date for payment;
 - (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period;
 - (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money is enforced; or
 - (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person,
 provided that:
 - (x) no event described in this subparagraph (c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €50,000,000 (or its equivalent in any other currency); and
 - (y) for the avoidance of doubt, references to Indebtedness for Borrowed Money in this subparagraph (c) shall not include any Non-recourse Indebtedness; or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save for the purposes of (i) a Permitted Reorganisation (as defined below) or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer ceases or announces an intention to cease to carry on the whole or a substantial part of its business (provided that, for the purposes of this sub-paragraph (e) only, "a substantial part" shall mean 35 per cent. or more of the Issuer's business), save for the purposes of (i) a Permitted Reorganisation; or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, or if the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts

pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (f) if:
- (i) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official; or
 - (ii) an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them; or
 - (iii) an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them,
- and in any of the cases described in paragraphs (i) to (ii) above (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the relevant company, is not discharged within 21 days; or
- (g) if the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation (save for the purposes of a Permitted Reorganisation) or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

9.2 Interpretation

For the purposes of this Condition:

- (a) **Adjusted EBITDA** means EBITDA before non-recurring income and expenses, in the case of the Issuer and the Group, as stated in the annual or, as the case may be, semi-annual consolidated financial statements of the Issuer;
- (b) **EBITDA** means earnings (or loss) for the relevant period before interest, tax, depreciation and amortisation, in the case of the Issuer and the Group, as stated in the annual or, as the case may be, semi-annual consolidated financial statements of the Issuer;
- (c) **Group** means the Issuer and its Subsidiaries from time to time;
- (d) **Indebtedness for Borrowed Money** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) of any Person for or in respect of any borrowed money or any liability under or in respect of any amount raised by acceptance under any acceptance credit facility; or (ii) any guarantee or indemnity in respect of such indebtedness;

- (e) a **Material Subsidiary** means at any time a Subsidiary of the Issuer whose Adjusted EBITDA or turnover equals or exceeds 5 per cent. of the Adjusted EBITDA or turnover of the Group, as calculated by reference to the then latest audited annual accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited annual consolidated accounts of the Group.

For this purpose (and as more particularly defined in the Agency Agreement):

- (i) the Adjusted EBITDA and turnover of a Subsidiary of the Issuer will be determined from its then latest audited annual accounts (consolidated if it has Subsidiaries) upon which the then latest audited annual consolidated accounts of the Group have been based;
- (ii) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the then latest audited annual consolidated accounts of the Group have been prepared,
- (iii) Adjusted EBITDA and turnover of that Subsidiary will be determined from its latest audited accounts (consolidated if it has Subsidiaries); and
- (iv) the Adjusted EBITDA and turnover of the Group will be determined from its then latest audited annual consolidated accounts adjusted (where appropriate) to reflect the Adjusted EBITDA or turnover of any company or business subsequently acquired or disposed of,

and so that any Person in respect of which any Material Subsidiary is a Subsidiary shall also be a Material Subsidiary and in any event a confirmation from the external auditors as to any of the calculations made above shall be conclusive.

Notwithstanding the above, any member of the Group to which the Issuer or a Material Subsidiary disposes of all or any substantial part of its assets will be treated as a Material Subsidiary, but only until it is demonstrated (by reference to the accounts of that Subsidiary referred to in paragraphs (i) and (ii) above and the audited consolidated accounts of the Group referred to in paragraph (iii) above for a period ended after that transfer) not to be a Material Subsidiary according to the tests set out above;

- (f) **Non-recourse Indebtedness** means any Indebtedness for Borrowed Money that is incurred in respect of a Non-recourse Securitisation (as defined in Condition 3);
- (g) **Permitted Reorganisation** means:

- (i) in respect of the Issuer, any amalgamation, merger, demerger or reconstruction whilst solvent of the Issuer which is part of a related sequence of events whereby, during or upon completion of the sequence, all of the assets and liabilities of the Issuer, including all its rights and obligations under or in respect of the Notes will be assumed in accordance with applicable law by a Person which, immediately after such assumption, is a member of the group consisting of the Issuer and its consolidated Subsidiaries; or
- (ii) in respect of any Material Subsidiary, any amalgamation, merger, demerger or reconstruction whilst solvent of the relevant Material Subsidiary under which all of its assets and liabilities are transferred, sold, contributed, assigned or otherwise vested in the Issuer or any of its other Subsidiaries in accordance with applicable law.

9.3 Reports

A report by two directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

10. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. NOTICES

11.1 Notices to the Noteholders

Without prejudice to any further formalities and other requirements set out under any applicable Italian laws and regulations (including Article 125-bis of Italian Legislative Decree No. 58 of 24 February 1998 as amended), and under the Issuer's by-laws, all notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London and, so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tegeblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

11.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

12. MEETINGS OF NOTEHOLDERS AND MODIFICATION

12.1 Meetings of Noteholders

The Agency Agreement contains provisions consistent with the laws, legislation, rules and regulations of the Republic of Italy (including without limitation Legislative Decree No. 58 of 24 February 1998, as amended) for convening meetings of the Noteholders to consider any matter affecting their interests, including any modifications of the Conditions or of any provisions of the Agency Agreement. Any such meeting may be convened by the directors of the Issuer or the Noteholder's Representative (as defined below) at their discretion and shall be convened by either of them, subject to mandatory provisions of Italian law, upon the request in writing of Noteholders holding not less than one-twentieth in aggregate principal amount of the Notes outstanding. According to the laws, legislation, rules and regulations of the Republic of Italy: (a) if Italian law and the Issuer's by-laws provide for multiple calls, such meetings will be validly held if (i) in the case of a first meeting (*prima*

convocazione), there are one or more persons present being or representing Noteholders holding not less than one-half in nominal amount of the Notes for the time being outstanding; (ii) in case of a second meeting (*seconda convocazione*), there are one or more persons present being or representing Noteholders holding more than one-third in nominal amount of the Notes for the time being outstanding; and (iii) in the case of any further adjourned meeting (*convocazioni successive*), one or more persons present being or representing Noteholders holding at least one-fifth in nominal amount of the Notes for the time being outstanding, provided that the Issuer's by-laws may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for a higher quorum; and (b) if Italian law and the Issuer's by-laws provide for a single call (*convocazione unica*), the quorum under (iii) above shall apply, provided that a higher majority may be required by the Issuer's bylaws. The majority to pass a resolution at any meeting (including, where applicable, an adjourned meeting) will be not less than two-thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; provided however that (A) in order to adopt certain proposals, as set out in Article 2415 of the Italian Civil Code (including a Reserved Matter (as defined in the Agency Agreement)) the favourable vote of one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes shall also be required and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. Resolutions passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

12.2 Noteholders' Representative

A representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**) may be appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of Noteholders, the Noteholders' Representative shall be appointed by a decree of the Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code and shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

12.3 Modification

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or (to the extent permitted under applicable Italian law) to comply with mandatory provisions of the law, or
- (b) any modification (except a Reserved Matter) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11.

13. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

14. GOVERNING LAW AND SUBMISSION TO JURISDICTION

14.1 Governing Law

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, provided that Condition 12 and the provisions of the Agency Agreement concerning meetings of Noteholders are subject to compliance with the laws of the Republic of Italy.

14.2 Submission to Jurisdiction

- (a) Subject to Condition 14.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a Dispute) and each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

14.3 Appointment of Process Agent

The Issuer appoints Prysmian Cables & Systems Limited at the latter's registered office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of such agent being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

14.4 Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

15. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is an overview of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1 Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an **Exchange Event**):

- (a) an event of default (as set out in Condition 9 (*Events of Default*)) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear or Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

Thereupon the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) may give notice to the Issuer of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (b) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2 Payments

On and after 19 May 2015, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered pro rata in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's

obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3 Notices

Without prejudice to any further formalities and other requirements set out under any applicable Italian laws and regulations (including Article 125-bis of Legislative Decree No. 58 of 24 February 1998 as amended), and under the Issuer's by-laws, for so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11 (*Notices*), provided that, so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu, if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

4 Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 9 (*Events of Default*) and Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5 Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Prescription*)).

6 Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

7 Put Option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 6.3 (*Redemption at the Option of the Holders upon a Change of Control*) may be exercised by an Accountholder giving notice to the Fiscal Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg to the Fiscal Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Fiscal Agent for notation accordingly within the time limits set forth in that Condition.

8 Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer to finance the redemption of the Issuer's existing Notes maturing in April 2015 in respect of which certain of the Joint Lead Managers acted as managers and to fund the Group's general corporate purposes, including refinancing of short term bank facilities granted by certain of the Joint Lead Managers and/or by their affiliates (including parent companies) (see "*General Information – Joint Lead Managers transacting with the Issuer*"), financing of Research & Development and capital expenditures in the ordinary course of business.

DESCRIPTION OF THE GROUP

OVERVIEW

The Prysmian Group (the **Group** or **Prysmian**) operates in the energy and telecom cables and systems industry. With over 130 years of experience, sales of around Euro 7 billion in 2014, more than 19,000 employees in 50 countries and 89 production sites, the Group offers a wide range of products, services, technology and know-how for every type of industry thanks to an extensive commercial presence and 17 R&D centres in Europe, the United States, South America and China, with more than 500 qualified R&D professionals. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

The Group conducts its business worldwide through the three operating segments **Energy Projects**, **Energy Products** and **Telecom**.

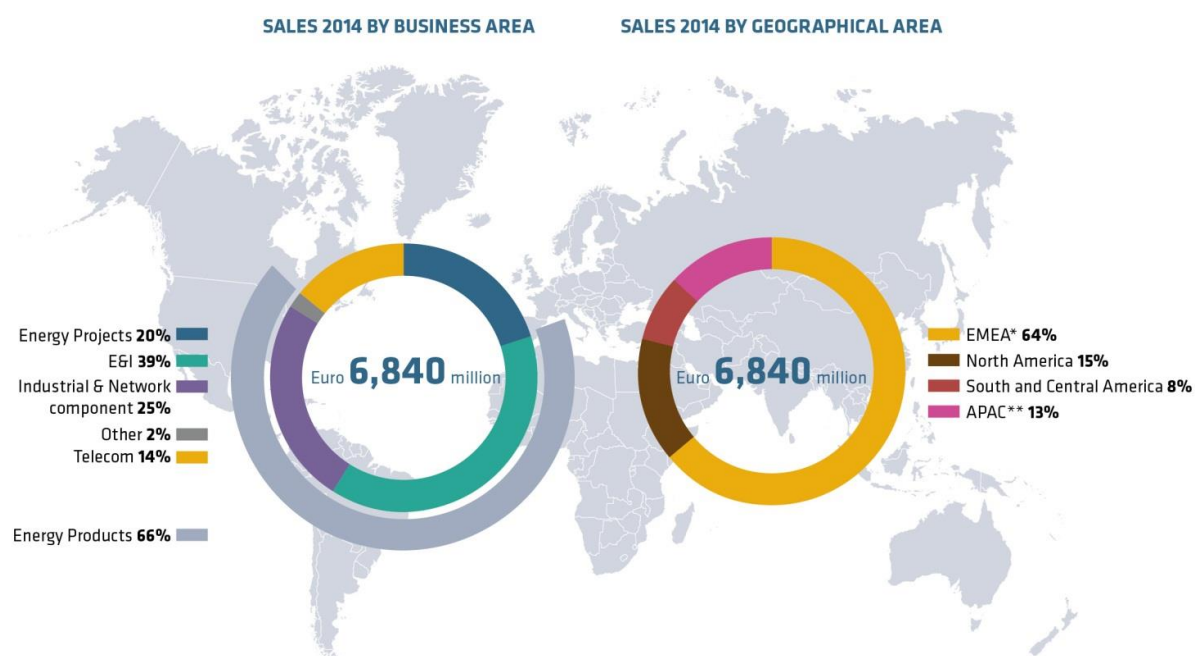
In its **Energy Projects** operating segment, the Group supplies underground and submarine cables and systems for the transmission and distribution of **energy**, including special cables for applications in a number of different industrial sectors and medium and low voltage cables for the construction and infrastructure industries. The Group's fire-resistant cables can be found at a number of important buildings worldwide, such as the Marina Bay Sands in Singapore and the Shard skyscraper in London. The Prysmian Group also works with utilities and grid operators on **submarine power interconnection** projects. These include the Western Link project in the United Kingdom, which has achieved a number of industry firsts for voltage (600 kV) and records for insulated cable rating (2200 MW) and length of route (more than 400 km). The Group is active in **submarine connections for offshore wind farms**, where, in addition to its involvement in major European projects in recent years, it has just worked on the cable to link several wind farms in the West of Adlergrund cluster in the Baltic Sea with mainland electricity grids in Germany. In the **transport** business Prysmian has cabled underground transport systems, such as the metro system recently inaugurated in Shanghai, and aircraft and ships such as the Airbus 380 or Royal Caribbean's GENESIS fleet.

In its **Energy Products** operating segment (made up of the business areas **Energy & Infrastructure** and **Industrial & Network Components** and **Other** business), Prysmian provides solutions for a number of different industries. In the **petrochemical industry** the Group provides solutions for both upstream exploration and production activities, and downstream hydrocarbon processing and storage. These solutions range from power, instrumentation and control cables to SURF (subsea umbilical, riser and flowline) products and services, which include umbilical cables for offshore platforms and high-tech flexible pipes used in oil extraction. In the area of onshore infrastructure, the Prysmian Group has been involved in the construction of electricity grids in a number of large cities, and similarly in the **elevator** business, the Group's elevator cables are present in some of the world's tallest and most prestigious buildings, such as the new World Trade Center in New York City. In the **renewable energy** market, Prysmian technologies support the development of important solar and wind farms, such as the Ohotnikovo photovoltaic plant in Ukraine and wind farms in Southern Italy.

In its **Telecom** operating segment, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems thanks to continuous investment in R&D and around 30 dedicated factories, Prysmian Group is a top manufacturer of **telecom cables**, with which it contributes to developing infrastructure in support of information flows and communication between communities around the world. The quality of optical fibre and level of innovation used in its cables allow the Group to meet ambitious challenges, such as helping local government in Australia to achieve its goal of creating a

fibre-to-the-premises network that will connect 93% of the country's residential and commercial buildings.

The following graphic depicts a breakdown of the Group's sales by operating segment and geographical area for the year ended 31 December 2014.



(*) Europe – Middle East - Africa

Financial Highlights

Management monitors the performance of the business using certain non-GAAP measures including EBITDA, Adjusted EBITDA, Adjusted Operating Income, Net Capital Employed and Net Financial Position which are not recognised as measures of financial performance or liquidity under IFRS. Investors should not place any undue reliance on these non-GAAP measures and financial indicators and should not consider these measures as an alternative to any measures of performance under generally accepted accounting principles.

The following table shows the Group's selected main financial and operating data for the years ended 31 December 2014 and 31 December 2013, calculated with reference to amounts expressed in millions of Euro.

(in millions of Euro)			
	2014	2013 (")	Change %
Sales	6,840	6,995	-2.2%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	466	578	-19.5%
Adjusted EBITDA ⁽²⁾	509	613	-17.0%
EBITDA ⁽¹⁾	496	563	-12.2%
Adjusted operating income ⁽³⁾	365	465	-21.5%
Operating income	312	368	-15.6%
Profit/(loss) before taxes	172	218	-21.3%
Net profit/(loss) for the year	115	153	-24.7%

(in millions of Euro)			
	31 December 2014	31 December 2013 (")	Change
Net capital employed	2,345	2,296	49
Employee benefit obligations	360	308	52
Equity	1,183	1,183	-
of which attributable to non-controlling interests	33	36	(3)
Net financial position	802	805	(3)

	2014	2013 (")	Change %
Investments ⁽⁴⁾ (in millions of Euro)	163	136	19.9%
Employees (at period end)	19,436	19,232	1.1%
Earnings/(loss) per share (in Euro)			
basic	0.54	0.71	
diluted	0.54	0.71	
Patents (****)	5,836	5,731	
Number of plants	89	91	
Percentage of plants certified ISO 14001	93%	86%	
Percentage of plants certified OHSAS 18001	59%	49%	

- (1) EBITDA is defined as earnings/(loss) for the year, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation, and impairment, finance costs and income, dividends from other companies and taxes.
- (2) Adjusted EBITDA is defined as EBITDA before non-recurring income/(expenses).
- (3) Adjusted operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items.
- (4) Investments refer to increases in Property, plant and equipment and Intangible assets, gross of leased assets.
- (**) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.
- (***) These are the total number of patents, comprising patents granted plus patent applications pending worldwide.

The following table provides a reconciliation from profit/(loss) for the year to EBITDA and adjusted EBITDA:

(In million of Euro)	For the year ended 31 December	
	2014	2013 ^(*)
Profit/(loss) for the year	115	153
Taxes	57	65
Finance costs	479	435
Finance income	(339)	(285)
Operating income	312	368
Amortisation, depreciation and impairment	188	173
Fair value stock option	3	14
Fair value change in metal derivatives	(7)	8
EBITDA	496	563
Non-recurring (income)/cost:		
Other income	(37)	(10)
Personnel costs	52	34
Other expenses	(2)	26
Adjusted EBITDA	509	613

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

The following table provides a reconciliation from operating income to adjusted operating income:

(In million of Euro)	For the year ended 31 December	
	2014	2013 ^(*)
Operating income	312	368
Non-recurring (income)/cost		
Other income	(37)	(10)
Personnel costs	52	34
Other expenses	(2)	26
Amortisation, depreciation and impairment	44	25
Fair value stock option	3	14
Fair value change in metal derivatives	(7)	8
Adjusted operating income	365	465

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

The Net Capital Employed as at 31 December 2014 and 2013 is as follows:

(In million of Euro)		As at 31 December	
		2014	2013(*)
Property, plant and equipment		1,414	1,390
Intangible assets		561	588
Equity-accounted investments		225	205
Available-for-sale financial assets		12	12
Assets held for sale		7	12
Total net fixed assets	A	2,219	2,207
Inventories	G	981	881
Trade receivables	H	952	933
Trade payables	I	(1,415)	(1,409)
Other receivables/payables - net	E	(95)	(13)
of which: other receivables, non-current		20	24
<i>Tax receivables⁽¹⁾</i>		14	13
<i>Receivables from employees⁽¹⁾</i>		2	2
<i>Other⁽¹⁾</i>		4	9
of which: other receivables, current		754	705
<i>Tax receivables⁽¹⁾</i>		157	109
<i>Receivables from employees and pension plans⁽¹⁾</i>		5	5
<i>Advances to suppliers⁽¹⁾</i>		19	17
<i>Other⁽¹⁾</i>		126	99
<i>Construction contracts⁽¹⁾</i>		447	475
of which: other payables, non-current		(13)	(20)
<i>Tax and social security payables⁽²⁾</i>		(7)	(12)
<i>Accrued expenses⁽²⁾</i>		-	(3)
<i>Other⁽²⁾</i>		(6)	(5)
Of which: Other payables, current		(827)	(688)
<i>Tax and social security payables⁽²⁾</i>		(144)	(99)
<i>Advances from customers⁽²⁾</i>		(381)	(241)
<i>Payables to employees⁽²⁾</i>		(64)	(98)
<i>Accrued expenses⁽²⁾</i>		(100)	(136)
<i>Other⁽²⁾</i>		(138)	(114)
of which: Current tax payables		(29)	(34)
Derivatives	F	(16)	(6)
of which: Forward currency contracts on commercial transactions (cash flow hedges), non-current ⁽³⁾		(2)	-
of which: Forward currency contracts on commercial transactions (cash flow hedges), current ⁽³⁾		(7)	1
of which: Forward currency contracts on commercial transactions, current ⁽³⁾		(2)	6
of which: Metal derivatives, non-current ⁽³⁾		1	(1)
of which: Metal derivatives, current ⁽³⁾		(6)	(12)
Provisions for risks and charges, non-current		(74)	(51)

(In million of Euro)		As at 31 December	
		2014	2013 ^(*)
Provisions for risks and charges, current		(269)	(279)
Deferred tax assets		115	130
Deferred tax liabilities		(53)	(97)
Total provisions	G	(281)	(297)
Net Capital Employed	H=(A+B+C+D+E+F+G)	2,345	2,296

^(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

⁽¹⁾ See note n. 5 "Trade and other receivables" in "Notes to the consolidated financial statements" incorporated by reference in this Prospectus.

⁽²⁾ See note n. 13 "Trade and other payables" in "Notes to the consolidated financial statements" incorporated by reference in this Prospectus.

⁽³⁾ See note n. 8 "Derivatives" in "Notes to the consolidated financial statements" incorporated by reference in this Prospectus.

The Net Financial Position as at 31 December 2014 and 2013 is as follows:

(In million of Euro)		As at 31 December	
		2014	2013 ^(*)
Borrowings from banks and other lenders, non-current	A	(817)	(1,119)
Interest rate swap (cash flow hedge), non-current ⁽²⁾	B	(3)	(4)
Non-current financial liabilities	C=(A+B)	(820)	(1,123)
Borrowings from banks and other lenders, current	D	(568)	(292)
Interest rate swap, current ⁽²⁾	E	-	(14)
Forward currency contracts on financial transactions, ⁽²⁾	F	(8)	(5)
Current financial liabilities	G=(D+E+F)	(576)	(311)
Total financial liabilities	H=(C+G)	(1,396)	(1,434)
Financial receivable, current ⁽¹⁾	I	9	12
Prepaid financial costs, current ⁽¹⁾	J	3	5
Forward currency contracts on financial transactions, current ⁽⁸⁾	K	5	5
Financial receivable, non-current ⁽¹⁾	L	2	4
Prepaid financial costs, non-current ⁽¹⁾	M	5	-
Financial assets held for trading	N	76	93
Cash and cash equivalents	O	494	510
Total financial assets	P=(I+J+K+L+M+N+O)	594	629
Net financial position	Q=(H+P)	(802)	(805)

^(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

⁽¹⁾ See note n. 5 "Trade and other Receivables" in "Notes to the consolidated financial statements" incorporated by reference in this Prospectus.

⁽²⁾ See note n. 8 "Derivatives" in "Notes to the consolidated financial statements" incorporated by reference in this Prospectus.

HISTORY AND DEVELOPMENT

Prysmian's predecessor business was established in Italy in 1879 when Giovanni Battista Pirelli, the founder of the Pirelli Group, decided to diversify his rubber manufacturing business by establishing a factory for the production of insulated telegraph cables and of energy cables. This business, then known as "Pirelli Cavi", began producing submarine telegraph cables in 1886 with the opening of a manufacturing facility in La Spezia, Italy, and progressively extended its product portfolio and expanded its operations internationally in subsequent decades. As part of its expansion, manufacturing facilities were opened in Spain (1902), Great Britain (1914), Argentina (1917) and Brazil (1929), among other countries. In the 1930s, studies and experiments were conducted in connection with the production of telecom cable to expand the carrying capacity of individual circuits, foreshadowing the use of direct distance dialling systems. In the 1950s, the business opened a submarine cables plant near Naples, Italy, a manufacturing facility in Canada and commenced the production and commercialisation of the first energy cables used for the transmission of voltages over 270 kV. As a result of continued research, development and planning, the first cable to transmit electricity at voltages above 400 kV was introduced in the 1960s. In 1982, the business became the first Italian producer of optical fibre when production commenced at its Battipaglia, Italy, plant. As a result of these continuous efforts to expand its commercial and industrial operations internationally, the business grew to become a truly multinational corporation and a leading worldwide player in the global cable industry.

Between 1998 and 2000, four significant acquisitions were completed with the goal of taking advantage of economies of scale, further increasing the size of product portfolio, acquiring know how in certain targeted market segments and entering new geographic markets. In particular:

- In 1998, the energy cables operations of Siemens AG were acquired, which comprised 12 manufacturing plants in Europe, Asia and Africa.
- In 1999, the MM Energy Products Division of Metal Manufacturers, Ltd. in Australia was acquired.
- In 2000, certain energy cables operations from BICC General were acquired in Italy, the United Kingdom, Zimbabwe, Mozambique, Malaysia and China.
- In 2000, two energy cables manufacturing plants were acquired in the Netherlands and Finland from Draka Holding.

In response to the sharp downturn in the energy and telecom cable markets beginning in 2001, the management team devised and executed a worldwide restructuring plan with the goal of rationalising the acquired production facilities, focusing production on higher value-added products and improving the business' ability to react quickly to changes in market conditions. The restructuring plan involved, among other things, closing eleven manufacturing plants and disposing of the enamelled and transposed wire business. As part of this restructuring programme, at the end of 2001 the Pirelli Group (of which the Group was part until July 2005) separated its business into two segments under the holding companies Pirelli Cavi e Sistemi Energia S.p.A. and Pirelli Cavi e Sistemi Telecom S.p.A.

In 2005, the Pirelli Group decided to dispose of these energy and telecom cable divisions by selling its energy and telecom cable divisions to subsidiaries of the Goldman Sachs Group for a total consideration (including transaction expenses) of approximately €1.4 billion.

In particular, Prysmian Cavi e Sistemi Energia S.r.l. (previously Pirelli Cavi e Sistemi Energia S.p.A.) and Prysmian Cavi e Sistemi Telecom S.r.l. (previously Pirelli Cavi e Sistemi Telecom S.p.A.) were acquired by Prysmian S.r.l. (formerly under the name GSCP ATHENA S.r.l.).

On 16 January 2007, Prysmian S.r.l. was transformed into a joint stock corporation called Prysmian S.p.A. In May 2007, Prysmian S.p.A. became a listed company on the Milan Stock Exchange through a global offering of its ordinary shares comprised of an institutional offering and a public offering to retail investors in Italy.

In December 2009, Prysmian acquired 100 per cent. of Rybinsk Electrocabel in Russia as first step of a broader expansion project of Prysmian in the Russian market.

In January 2010, Prysmian acquired a 51 per cent. stake of Ravin Cables in order to strengthen the Group's presence in India and in the Middle East in the high-technology cables for utilities as well as industrial cables business segments. With the acquisition of Ravin Cables, Prysmian also increased its production capacity with a new manufacturing plant in the strategic Middle East market.

In 2011 Prysmian purchased Draka Holding, like Prysmian a market leader in innovation and technological know-how. The Prysmian Group is combining the strengths of both Prysmian and Draka and achieving increased investment potential and geographical coverage, as well as offering the most extensive range of products, services, technologies and know-how available on the market.

The purchase in 2012 of Global Marine Systems Energy Limited further enhanced the Group's submarine power cables capability, providing a new cable-laying ship and additional high value-added services for the installation of submarine power connections, ranging from project management to cable laying, jointing and protection, together with expertise in offshore wind farm connections and a portfolio of major projects in the North Sea.

RECENT DEVELOPMENTS

On 3 February 2015, the Group signed a Memorandum of Understanding with Transelectrica, a Romanian electricity transmission system operator, and others to carry out studies and analyses on the potential development of a submarine link between Romania and Turkey. The memorandum's aim is to support further development of the region's energy sector, by offering Romanian power suppliers the opportunity to export their surplus generation to other countries such as Turkey. The Prysmian Group also announced the construction of new optical cable manufacturing facilities within a local new industrial park in Slatina, Romania, covering a total area of 172,000 m², of which about 20,000 m² will be under cover. The new facilities are intended to produce a full range of new-generation optical fibre cables to support the most advanced applications and usages by public and private, national and international operators, having obtained all the required quality certifications.

On 11 February 2015, Prysmian was awarded a new contract worth approximately Euro 60 million by Iberdrola Renovables Offshore Deutschland GmbH - a German subsidiary of Iberdrola, a developer and operator of wind farms - to supply and install wind turbine inter-array cables for the Wikingen offshore wind farm, located in the Baltic Sea. Under the Wikingen contract, Prysmian is responsible for the design, manufacture, installation, burial, termination and testing of 81 km of 33 kV submarine cables in different cross-sections to connect the 70 wind turbines and an offshore substation that form the 350 MW wind farm. Cables will be produced at Prysmian's facility in Drammen, Norway. Installation work is scheduled to be complete by the end of 2016.

On 16 February 2015, the Prysmian Group was awarded two new orders worth a total of more than Euro 50 million for projects to expand the power transmission system in Kuwait. The "MEW 06 Jaber Al Ahmed City" project is part of the plan to expand Kuwait's power transmission with a view to strengthening its main transmission networks and securing power supplies for industrial and residential users throughout the country. The "Jamal Abdel Al Nasser Street" project is part of the plan to upgrade and transform one of the main traffic arteries running through the middle of Kuwait

City into an expressway, a process that will involve diverting an underground electricity line. The contracts involve the design, engineering, supply, construction, installation and commission of HV underground cable systems, requiring a total of 210 km of 132 kV cable and related network components for both projects that will be executed by the Group's offices in Kuwait. Installation will start in 2015 with completion scheduled in 2016.

In view of the expiry of the three-year term in office of the board of directors, and as permitted in its by-laws, the board of directors of Prysmian, by means of a notice dated 4 March 2015, convened an Ordinary and Extraordinary Shareholders' Meeting to be held on 16 April 2015, in single call (*convocazione unica*) which, inter alia, will resolve upon the appointment of a new board of directors.

VISION AND STRATEGY

The Prysmian Group's achievements in the energy and telecom cables and systems industry are the result of strategic choices, consistent with its medium to long-term growth objectives, which are based on the shared principles of its corporate Vision and Mission.

Prysmian's corporate Vision consists in the efficiency, effectiveness and sustainability of energy and information delivery as the prime driver for developing communities. In accordance with its Mission, the Group is committed to developing and applying technologically advanced solutions to provide its customers worldwide with cables and systems for energy and telecommunications that represent effective, efficient and sustainable solutions to their needs.

The Group aims to serve as an "enabler", in partnership with its customers, for the economic and social development of the countries in which it operates, thereby demonstrating the key role played by the cable industry itself. By promoting industry-wide improvements through development of state-of-the-art products, the Group therefore identifies its growth strategy with the ability to innovate.

Prysmian places stakeholders at the centre of its business strategy. The following two core guidelines are at the heart of everything the Group does:

- **Customer Centricity**

Inspired by a solution-driven approach, we do our utmost to anticipate and satisfy customer needs by offering innovative products and cable systems.

- **Creating Value for Shareholders**

We aim to provide a return on investment and profitability in the short run, but above all we strive to create value over the medium to long term.

Prysmian's strategies are as follows:

Ability to anticipate/satisfy customer needs

The technologies and processes used must be capable of developing products and solutions that anticipate and satisfy the needs of its customers. This is why the Group constantly strives to improve its competencies in the areas of Research and Development, human resource development and environmental sustainability.

Balanced and sustainable growth

The ability to combine short and medium to long-term objectives, measurable not only by financial performance to meet shareholders' expected return on capital, but also by seeking healthy creation of value through the adoption of a system of governance and a business model that allows such results to be sustained over the long run.

"Healthy" management and financial discipline

The Group aims to implement "healthy" and prudent principles in its financial management. In particular, it pays great attention to operating profitability and cash generation, with a particular focus on working capital management and the reduction of fixed costs and capital employed in order to maximise cash flow generation and the return on investment. The Group also aims to maintain adequate financial leverage for its strategy of organic and acquisition-led growth.

Transparency, good governance and confidence of markets and investors

The Group pays particular attention to its relations with financial markets, shareholders and investors, also because of its public company status. Its focus in this sense is on ensuring precise maintenance of commitments and delivery of target results. Transparency and credibility are also expressed in a system of corporate governance based on compliance with the related rules and guidelines and the adoption of standards drawn from international best practices.

Expansion and balanced growth

The Group's development strategy follows the dual track of growth in size and continuous improvement in profitability. When deciding in which business sectors and geographical areas to expand, the Group tends to give priority to the maintenance of adequate levels of profitability, even at the expense of growth in market share, whose preservation is nonetheless treated as vitally important, especially in high value-added market segments. The Group therefore pursues both organic growth of the business, based on a selective investment policy and development of commercial and production synergies, and acquisition-led growth. The search for growth opportunities, both organically and through acquisitions, is primarily focused on higher value-added high-tech businesses, such as High Voltage Underground and Submarine Cables and Systems, Cables for the Renewable Energy sector, Cables for the Extraction, Mining and Petrochemicals sector, Industrial Cables for infrastructure, as well as Optical Fibres and Optical Cables for the development of broadband networks. These businesses are linked to long-term investment programmes and so are less affected by economic cycles. In terms of geographical expansion, the Group mainly invests in countries and markets capable of ensuring high rates of growth and profitability. The role of Prysmian in the fragmented cable industry will continue to be that of an "aggregator", capable of serving as a leader in the current processes of rationalisation and consolidation.

Rationalisation and efficiency of industrial and commercial processes

Prysmian has consolidated over time the ability to optimise its industrial processes, including by integrating and rationalising acquired companies. In line with its objectives, the Group is successfully pursuing synergies with Draka, on both the organisational and commercial fronts, involving integration of product ranges and enhancement of customer service.

PRODUCTS

Energy Projects operating segment

Overview

The **Energy Projects operating segment** comprises high-tech and high value-added businesses whose focus is on planning and executing projects, as well as on product customisation, in the areas of high voltage underground cables, submarine cables and SURF (subsea umbilical, riser and flowline) cables for the oil industry).

The following table shows selected financial highlights for the Energy Projects operating segment for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)

	2014	2013 ^(*)	Change %
Sales	1,355	1,360	-0.3%
Adjusted EBITDA before share net profit/(loss) of equity-accounted companies	154	232	-33.6%
% of sales	11.4%	17.0%	
Adjusted EBITDA	154	231	-33.5%
% of sales	11.3%	17.0%	
EBITDA	195	234	-16.7%
% of sales	14.4%	17.2%	
Amortisation and depreciation	(40)	(39)	
Adjusted operating income	114	192	-40.9%
% of sales	8.4%	14.1%	
Reconciliation of EBITDA to Adjusted EBITDA			
EBITDA (A)	195	234	-16.7%
Non-recurring expenses/(income):			
Company reorganisation	1	4	
Antitrust	(31)	(6)	
Gains on asset disposals	-	(2)	
Acquisition price adjustment ⁽¹⁾	(22)		
Other net non-recurring expenses	11	1	
Total non-recurring expenses/(income) (B)	(41)	(3)	
Adjusted EBITDA (A+B)	154	231	-33.5%

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

⁽¹⁾ This refers to the acquisition in November 2012 of Global Marine Systems Energy Ltd (now renamed Prysmian PowerLink Services Ltd) from Global Marine Systems Ltd.

Activities

Prysmian engineers, manufactures and installs high and extra high voltage cables for underground and submarine electricity transmission both from power stations and within transmission and primary distribution grids. These highly specialised, high-tech products include cables insulated with oil or fluid-impregnated paper for voltages up to 1100 kV and extruded polymer insulated cables for voltages up to 500 kV. These are complemented by laying and post-laying services, grid monitoring and preventive maintenance services, power line repair and maintenance services, as well as emergency services, including intervention in the event of damage.

Through Prysmian PowerLink S.r.l., the Group is developing the most advanced "turnkey" submarine cable systems for installation at depths of up to 2,000 metres, made possible thanks to the "Giulio Verne", one of the largest and most technologically advanced cable-laying ships in the world. Prysmian also offers advanced services for the construction of submarine power lines for offshore wind farms, ranging from project management to cable installation with the assistance of the "Cable Enterprise", its other cable-laying ship. The Group's technological solutions for this business cover wind turbine, inter-array and export cables.

The range of products for the offshore oil industry includes not only submarine cables to link offshore platforms to mainland power grids but also solutions for use in the extraction and storage of hydrocarbons. The wide portfolio includes all the SURF products and services: multifunction umbilicals for transmitting energy and telecommunications and for hydraulic powering of wellheads by offshore platforms and/or by FPSOs (floating, production, storage and offloading vessels); high-tech flexible pipes for oil extraction; special DHT (downhole technology) solutions, which include cables encased in insulated tubing to control and power systems inside extraction machinery below the seabed's surface and for the flow of hydraulic power fluids to such machinery.

Energy Products operating segment

Overview

The **Energy Products operating segment** comprises businesses offering a complete and innovative product portfolio designed to meet the many demands of the market: Energy & Infrastructure, (including Power Distribution and Trade & Installers) and Industrial & Network Components (comprising Specialties & OEM, Oil & Gas, Elevators, Automotive and Network Components).

The following table shows selected financial highlights for the Energy Products operating segment for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)

	2014	2013 ^(*)	Change %
Sales	4,491	4,649	-3.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	221	259	-15.0%
% of sales	4.9%	5.6%	
Adjusted EBITDA	239	276	-13.6%
% of sales	5.3%	5.9%	
EBITDA	195	250	-22.0%
% of sales	4.3%	5.4%	
Amortisation and depreciation	(62)	(66)	
Adjusted operation income	177	210	-16.2%
% of sales	3.9%	4.5%	
Reconciliation of EBITDA to Adjusted EBITDA			
EBITDA (A)	195	250	-22.0%
Non-recurring expenses/(income):			
Company reorganisation	38	29	
Environmental remediation and other costs	-	(3)	
Gains on asset disposals	-	(2)	
Other net non-recurring expenses	6	2	
Total non-recurring expenses/(income) (B)	44	26	
Adjusted EBITDA (A+B)	239	276	-13.6%

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

Activities

In its **Energy & Infrastructure** business, the Group manufactures medium voltage cables and systems to connect industrial and residential buildings to primary distribution grids and low voltage

ones for power distribution and the wiring of buildings. Prysmian solutions are developed to support utilities and grid operators, industrial companies, installers and wholesalers in the electricity sector. In particular, the products made for the Trade & Installers market include cables and systems for distributors and installers for the wiring of buildings and distribution of power to or within commercial and residential structures. Fire-resistant and low smoke halogen-free cables complete the Group's wide and comprehensive product range.

The following table shows selected financial information for the Energy & Infrastructure business for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)

	2014	2013(*)	Change %
Sales	2,677	2,747	-2.6%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	91	113	-20.4%
% of sales	3.4%	4.1%	
Adjusted EBITDA	108	127	-16.8%
% of sales	4.1%	4.6%	
Adjusted operating income	74	90	-19.4%
% of sales	2.8%	3.3%	

In its **Industrial & Network Components** business, the Group provides integrated cabling solutions for the industrial market and constitutes the most comprehensive and technologically advanced response to the needs of a wide variety of industries. Through its Specialties and OEM business line, Prysmian supplies cable systems for a variety of specific industrial applications such as trains, aircraft, ships, port systems, cranes, mines, the nuclear industry, defence, the electro-medical sector and renewable energy. Products for the petrochemicals market include power, instrumentation and control cables used in the various activities of exploration, production, processing and storage (at onshore extraction facilities, offshore platforms, refineries, chemical plants for fertilizer production, and so on). Other solutions are produced for the elevator market, such as flexible connectorised cables and hoistway cables, and for the automotive industry, in which the Group collaborates with the sector's leading international manufacturers. The product range is completed by network accessories and components, such as joints and terminations for low, medium, high and extra high voltage cables and submarine systems, to connect cables with one another and/or connect them with other network devices, suitable for industrial, construction and infrastructure applications and for use within power transmission and distribution grids.

The following table shows selected financial information for the Industrial & Network Components business for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)

	2014	2013(*)	Change %
Sales	1,708	1,788	-4.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	125	141	-11.1%
% of sales	7.4%	7.9%	
Adjusted EBITDA	126	141	-11.1%
% of sales	7.4%	7.9%	
Adjusted operating income	100	116	-14.8%
% of sales	5.9%	6.5%	

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

The activities of the Energy Products operating segment are completed by occasional sales of intermediate goods, raw materials or other products forming part of the production process (**Other business**). These sales are normally linked to local business situations, do not generate high margins and can vary in size from period to period. The following table shows selected financial information for the business area for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)		
	2014	2013 ^(*)
Sales	106	114
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	5	5
Adjusted EBITDA	5	8
Adjusted operating Income	3	4

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

Telecom operating segment

Overview

The **Telecom operating segment** is engaged in the manufacture of cable systems and connectivity products used in telecommunication networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables.

The following table shows selected financial highlights for the Telecom operating segment for the years ended 31 December 2014 and 31 December 2013.

(in millions of Euro)			
	2014	2013 ^(*)	Variation %
Sales	994	986	0.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	91	87	4.2%
% of sales	9.1%	8.8%	
Adjusted EBITDA	116	106	10.1%
% of sales	11.7%	10.8%	
EBITDA	116	86	31.7%
% of sales	11.6%	8.7%	
Amortisation and depreciation	(42)	(43)	
Adjusted operating income	74	63	19.7%
% of sales	7.4%	6.4%	
Reconciliation of EBITDA to Adjusted EBITDA			
EBITDA (A)	116	86	31.7%
Non-recurring expenses/(income):			
Company reorganisation	6	13	
Dilution effect YOFC	(8)	-	
Gains on asset disposals	-	(1)	

(in millions of Euro)

	2014	2013 ^(*)	Variatz. %
Other net non-recurring expenses	2	8	
Total non-recurring expenses/(income) (B)	-	20	
Adjusted EBITDA (A+B)	116	106	10.1%

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and joint ventures.

Activities

As partner to leading telecom operators worldwide, the Prysmian Group produces and manufactures a wide range of cable systems and connectivity products used in telecommunication networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories and copper cables.

Optical fibre

The Prysmian Group manufactures the core component of every type of optical cable: optical fibre. The Group is in the unique position of being able to use all existing manufacturing processes within its plants: MCVD (modified chemical vapour deposition), OVD (outside vapour deposition), VAD (vapour axial deposition) and PCVD (plasma-activated chemical vapour deposition). The result is an optimised product range for different applications. With centres of excellence in Battipaglia (Italy), Eindhoven (the Netherlands) and Douvrin (France), and 5 production sites around the world, the Prysmian Group offers a wide range of optical fibres, designed and manufactured to cater to the broadest possible spectrum of customer applications, such as single-mode, multimode and specialty fibres.

Optical cables

Optical fibres are employed in the production of standard optical cables or those specially designed for challenging or inaccessible environments. The optical cables, constructed using just a single fibre or up to as many as 1,728 fibres, can be pulled (or blown) into ducts, buried directly underground or suspended on overhead devices such as telegraph poles or electricity pylons. Cables are also installed in road and rail tunnels, gas and sewerage networks and inside various buildings where they must satisfy specific fire-resistant requirements. The Prysmian Group operates in the telecommunications market with a wide range of cable solutions and systems that respond to the demand for wider bandwidth by major network operators and service providers. The product portfolio covers every area of the industry, including long-distance and urban systems, and solutions such as optical ground wire (OPGW), Rapier (easy break-out), Siroccoxs (fibres and cables for blown installation), Flextube® (extremely flexible easy-to-handle cables for indoor or outdoor installations), Airbag (dielectric direct buried cable) and many more.

Connectivity

Whether deployed in outdoor or indoor applications, the Prysmian Group's OAsys connectivity solutions are designed for versatility, covering all cable management needs whatever the network type.

These include aerial and underground installations, as well as cabling in central offices (or exchanges) or customer premises. Prysmian Group has been designing, developing and making cable and fibre management products for more than two decades and is at the forefront of designing next-generation products specifically for fibre-to-the-home (FTTH) networks.

FTTx

Increasing bandwidth requirements, by both business and residential customers, are having a profound effect upon the optical network performance level required, which in turn demands high standards of fibre management. Optimal fibre management in every section of the network is increasingly a matter of priority in order to minimise power loss and overcome the problems caused by ever greater space limitations. The Group has developed the suite of xsNet products for "last mile" access networks, which is also very suited to optical fibre deployment in sparsely populated rural areas. Most of the cables used in FTTx/FTTH systems feature Prysmian's bend-insensitive BendBrightxs optical fibre, which has been specially developed for this application.

FTTA (Fibre-To-The-Antenna)

xsMobile, which offers fibre-to-the-antenna (FTTA) solutions, is an extensive passive portfolio which enables mobile operators to upgrade their networks easily and quickly. Incorporating Prysmian's experience in Fibre-to-the-home (FTTH) and its unique fibre innovations, xsMobile consists of different product solutions for three applications: antenna towers, roof-top antennas and distributed antenna systems (DAS) for small cell deployment. The technology offers three access types for outdoor and indoor FTTA deployment, as well as backhaul solutions – incorporating the latest fibre technologies.

Copper cables

Prysmian Group also produces a wide range of copper cables for underground and overhead cabling solutions and for both residential and commercial buildings. The product portfolio comprises cables of different capacity, including broadband xDSL cables and those designed for high transmission, low interference and electromagnetic compatibility.

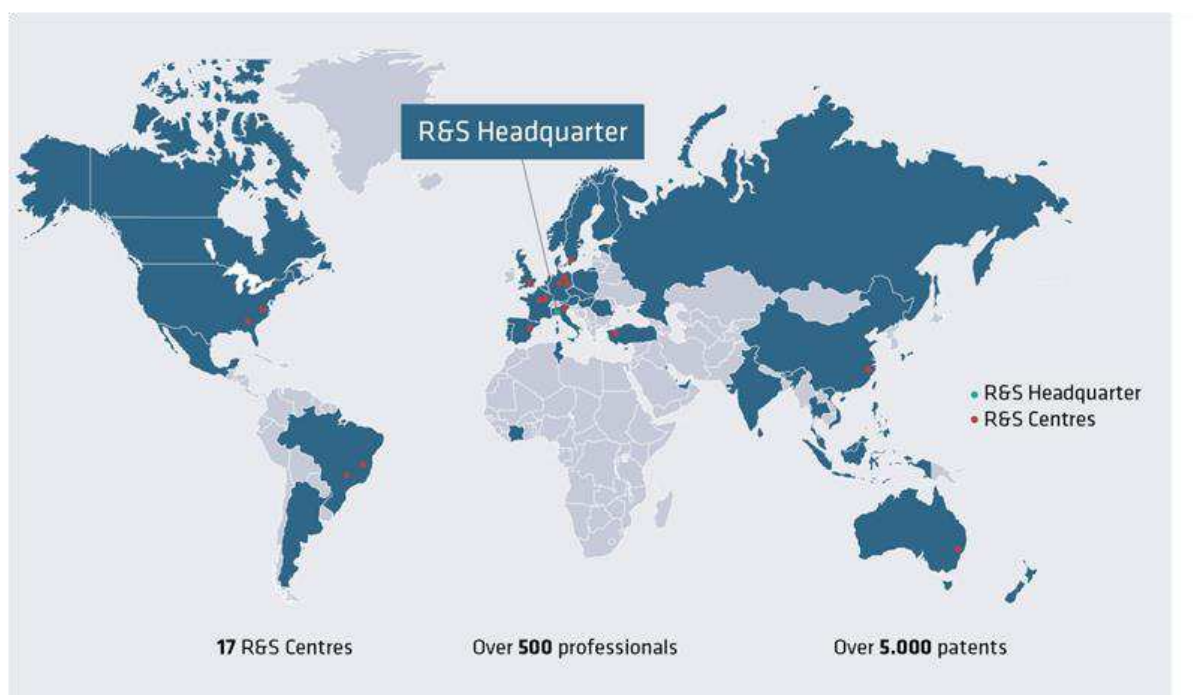
Multimedia Solutions

The Group produces cable solutions for a variety of applications serving communication needs in infrastructure, industry and transport: cables for television and film studios, cables for rail networks such as underground cables for long-distance telecommunications, light-signalling cables and cables for track switching devices, as well as cables for mobile telecommunications antennae and for data centres.

RESEARCH AND DEVELOPMENT

The Prysmian Group has always given key strategic importance to Research & Development (R&D) to maintain its position in the market, with the aim of differentiating itself and of providing its customers with technologically innovative solutions at increasingly competitive costs. The Group currently has 17 Centres of Excellence, with headquarters in Milan, and over 500 skilled professionals. With around 5,800 patents granted or filed and partnerships with major universities and research centres in many countries where it is present, the Prysmian Group intends to be industry leader in R&D. The Group's spending on Research, Development and Innovation amounted to approximately Euro 71 million in 2014, broadly in line with the previous year and confirming its steadfast commitment to and focus on long-term sustainable growth.

The following graphic depicts the Prysmian Group's R&D Centres as at 31 December 2014



In the **Energy Projects** and **Energy Products** operating segments, recent achievements include:

- In the submarine cables area, work continued to optimise 220 kV AC three-core cables; in particular, a prototype with 1600 mm² aluminium conductors was made, to achieve IEC prequalification for the Arco Felice and Pikkala plants, and a prototype with 1200 mm² copper conductors, for qualification testing as part of the "50 Hertz" project, one of the largest ever performed in terms of volume and value. Internal qualification testing was completed for the flexible 400 kV AC joint. Still in the submarine cables area, particular resources were devoted to the recovery plan for the Western Link project and its 600 kV DC cables insulated with PPL (paper polypropylene laminate).
- With reference to developments in P-Laser technology, the 150 kV class passed its qualification test; the test, conducted on a system complete with accessories (joints and terminations), was completed with a series of additional high-temperature high-voltage tests. In view of the promising results obtained during internal prequalification testing conducted in 2013, qualification testing started for a P-Laser HVDC 320 kV cable and related accessories. The P-Laser system is particularly suitable for high voltage direct current (HVDC) applications because of the greater chemical stability of its insulating material for which no kind of treatment (degassing) before commissioning is required.
- The Oil & Gas cables business line reported continued product development. In terms of products, new solutions were developed for harsh environmental conditions and to allow vital communication by emergency systems even in extreme conditions. The Drilling Package, a complete cabling solution for Oil & Gas drilling applications both onshore and offshore, was also launched globally.

Recent achievements in the **Telecom** operating segment include:

- In the optical fibre field, several of the Group's factories were made ready for full production of bend-resistant BendBright XS fibres, which have much better micro- and macro-bending

performances than competitor products. A number of improvements were also made at several factories to secure a significant reduction in fibre production costs. In the area of multimode fibre, WideCAP OM4 was launched, a new fibre capable of 40Gb bidirectional transmission with two channels at 850 and 900nm, and potential upgrade to 4 * 25Gb to meet the future needs of the 100Gb superfast network.

- In the optical cables field, the Flextube family of cables was enlarged with the addition of a record density product containing 4.2 fibres per mm² in a 1728 fibre 23 mm diameter cable, made using fibres measuring 200 micrometres in diameter. These products represent an excellent solution for use in conduits congested with other cables. Dry/dry technology was also developed for Flextube cables in order to reduce cable installation time even further and so reduce overall installation costs. At the Slatina plant in Romania, now one of the major European centres of optical cable production, investments continued for a significant increase in production capacity of the Flextube and Drop cables. In the connectivity field, Prysmian continued to develop several new accessories for use in FTTH (fibre to the home) applications.

MANUFACTURING FACILITIES

As at the date of this Prospectus, the Prysmian Group's manufacturing activities are carried out at 89 plants in 33 different countries. The Group follows a highly decentralised manufacturing model. The widespread distribution of plants is a strategic factor in allowing the Group to react quickly to different market needs worldwide. Over the course of 2014 the Prysmian Group continued to implement an industrial strategy based on the following rationale: (i) focus on higher value-added high-tech products, by concentrating their production in a limited number of plants that become centres of excellence with high levels of technological expertise, where it is possible to benefit from economies of scale, by improving manufacturing efficiency and reducing capital employed; (ii) ongoing pursuit of greater manufacturing efficiency in the commodities area by maintaining a wide geographical presence to minimise distribution costs.

MARKETING AND DISTRIBUTION

The Group manages its business relationships with customers in a wide variety of countries and industries through its sales and marketing activities, which are carried out at both the central and local/business group levels. These activities include scouting new opportunities related to its current power and submarine projects, managing product branding, managing Group communications and attending industry fairs, which activities are performed both by its own employees as well as through a network of third-party representatives, distributors and distributor partners across more than 30 countries.

The central marketing division in Milan sets the Group's overall sales and marketing strategy, manages customers worldwide, manages the commercial activities and objectives of the Group's global businesses and analyses market dynamics. Local subsidiaries, however, have decision-making and operating powers to respond to the needs of local customers and distributors, in addition to implementing the policies and strategies of the central marketing division in Milan.

The Group constantly makes efforts to improve its logistics and distribution services, since reliable and timely delivery and availability of products are increasingly becoming key competitive factors in the markets in which it operates. It continuously evaluates and measures the quality of its logistical services through integrated tools managed by central, regional, and product-based logistics teams, focusing on mid-term production allocation, planning and programming, stock management, distribution and the evaluation of service standards.

INSURANCE

The Group has purchased several insurance policies that were negotiated on a centralised basis by its risk management department, in order to reduce losses from potentially harmful events, including:

- damage to buildings, machinery or goods and losses related to business or operational interruptions caused by events such as fires, explosions, catastrophes, force majeure and political or social crises;
- third-party liability arising out of the Group's operations, manufactured, assembled and/or marketed goods, or environmental pollution or violations of environmental laws and regulations;
- cost of replacement of defective and/or potentially harmful products;
- costs incurred as a result of the findings of a court, government or other public authority;
- liability incurred by directors and officers; and
- business credit insurance, which covers the manufacturing costs of goods not delivered and losses due to the default or insolvency of customers.

Some of this insurance coverage is provided by a master policy agreement which, by establishing a maximum limit on coverage and certain general policy provisions, provides general insurance coverage to each of the Group's companies in addition to any local or business-specific insurance arrangements. The other policies provide basic insurance coverage in specific countries or regions in accordance with local laws. In addition, certain Group companies have negotiated and procured additional policies which supplement and/or improve upon the international insurance programmes, as necessary to comply with local requirements and needs. Insurance policies are renewed, revised and replaced as appropriate.

The Group's insurance policies contain provisions, conditions, exceptions and liability limits that are consistent with terms customarily found in its industry. The ability of the Group's insurance programme to provide adequate protection to Group companies is continually assessed by the risk management department.

SOURCES OF FUNDING

As at 31 December 2014, the Prysmian Group's total financial resources, comprising cash and cash equivalents and undrawn committed credit lines, exceeded Euro 1,000 million.

In particular, as of the date hereof, the Group's main sources of financing are the following: (i) a five-year revolving credit facility for Euro 1,000 million from a syndicate of leading banks (entered into by the Issuer in June 2014), (ii) a five-year revolving facility for Euro 100 million from Mediobanca – Banca di Credito Finanziario S.p.A. (entered into by the Issuer in February 2014), (iii) a seven-year loan for Euro 100 million from the European Investment Bank (EIB) (such EIB funding is amortising, and the loan was entered into by the Issuer in December 2013), (iv) a five-year long-term loan agreement for Euro 800 million with a syndicate of leading banks (entered into by the Issuer in March 2011), (v) a five-year unrated Eurobond for Euro 400 million placed with qualified investors (issued by the Issuer in April 2010), and (vi) a five-year convertible bond for Euro 300 million placed with qualified investors (issued by the Issuer in March 2013).

In addition, most Group companies have in place local uncommitted credit facilities for their operating needs.

LEGAL PROCEEDINGS

The Group is from time to time involved in a certain number of claims arising from the ordinary conduct of its business, including civil, labour, antitrust, administrative, tax and criminal proceedings. The outcome of litigation and other legal proceedings is inherently uncertain, and no assurance can be given that Prysmian will prevail in any or all of these proceedings or otherwise not be required to make related payments, which could be significant. However, except as indicated below under "Antitrust Matters", Prysmian does not believe, considering its reserve policy, insurance, evaluations of the likelihood of recovery and the amount of such claims, that the payments it would be likely to make in respect of its current or anticipated litigation risks would have a material adverse effect on its financial condition and results of operations.

Antitrust Matters

The Prysmian Group has faced investigations and in some cases court action from competition authorities in Australia, Brazil, Canada, the European Union, Japan, New Zealand and the United States. The investigations in Canada, Japan and New Zealand ended without the Prysmian Group being subjected to sanctions. The other investigations are still in progress, save for the investigation by the European Commission, which ended with the adoption of the decision described below.

In Australia, the Australian Competition and Consumers Commission filed a case before the Federal Court arguing that Prysmian Cavi e Sistemi S.r.l. and two other companies violated antitrust rules in connection with a high voltage underground cable project awarded in 2003. Prysmian Cavi e Sistemi S.r.l. has filed its objections and presented its defence.

In Brazil, the local antitrust authority started an investigation into several cable manufacturers, including Prysmian, that operate in the high voltage underground and submarine cables market. Prysmian has presented its preliminary defence, which was rejected by the local competition authorities in a statement issued in February 2015. The preliminary stage of the proceedings will now ensue, at the end of which the authorities will publish their concluding observations, to which the parties may respond with all their arguments in defence before a final decision is taken. During the month of December 2013, ABB and one of this company's senior managers signed an agreement with the Brazilian antitrust authority, under which they admitted the conduct alleged by the authority and pledged to cooperate with it and to each pay an agreed fine.

On 2 April 2014, the European Commission adopted a decision under which it found that, between 18 February 1999 and 28 January 2009, the world's largest cable producers, including Prysmian Cavi e Sistemi S.r.l., adopted anti-competitive practices in the European market for high voltage submarine and underground power cables. The European Commission held Prysmian Cavi e Sistemi S.r.l. jointly liable with Pirelli & C. S.p.A. for the alleged infringement in the period from 18 February 1999 to 28 July 2005, sentencing them to pay a fine of Euro 67.3 million, and it held Prysmian Cavi e Sistemi S.r.l. jointly liable with Prysmian S.p.A. and The Goldman Sachs Group Inc. for the alleged infringement in the period from 29 July 2005 to 28 January 2009, sentencing them to pay a fine of Euro 37.3 million. Prysmian has appealed against this decision to the General Court of the European Union and has submitted an application to intervene in the appeals respectively lodged by Pirelli & C. S.p.A. and the Goldman Sachs Group Inc. against the same decision. Both Pirelli & C. S.p.A. and the Goldman Sachs Group Inc. have in turn submitted applications to intervene in the appeal brought by Prysmian against the European Commission's decision. Prysmian has not incurred any financial outlay as a result of this decision having elected, pending the outcome of the appeals, to provide bank guarantees as security against payment of 50% of the fine imposed by the European Commission (amounting to approximately Euro 52 million) for the alleged infringement in both periods. As far as

Prysmian is aware, Pirelli & C. S.p.A. has provided or is nonetheless preparing to provide the European Commission with a bank guarantee for 50% of the value of the fine imposed for the alleged infringement in the period 18 February 1999 - 28 July 2005. Pirelli & C. S.p.A. has also filed a civil action against Prysmian Cavi e Sistemi S.r.l. in which it demands to be held harmless for all claims made by the European Commission in implementation of its decision and for any expenses related to such implementation. Prysmian Cavi e Sistemi S.r.l. filed its reply in February 2015, requesting that the claims brought by Pirelli & C. S.p.A. be rejected in full and that it should be Pirelli & C. S.p.A. which holds harmless Prysmian Cavi e Sistemi S.r.l., with reference to the alleged infringement in the period 18 February 1999 - 28 July 2005, for all claims made by the European Commission in implementation of its decision and for any expenses related to such implementation.

Following a detailed and careful analysis of the European Commission's ruling, and nonetheless considering this has been appealed and so could be submitted to second-instance judgement, as well as the fact that the investigations initiated by the Canadian Antitrust Authority have ended without any sanctions for Prysmian, it has been decided to partially release the existing provision.

Prysmian has also learned from several sources, including sources in the public domain, that some British utilities have filed actions in the High Court in London against certain cable manufacturers, including certain Prysmian Group companies, to obtain compensation for damages allegedly suffered as a result of the alleged anti-competitive conduct condemned by the European Commission in the decision adopted in April 2014.

As at 31 December 2014, the amount of the provision is approximately Euro 170 million. Despite the uncertainty of the outcome of the investigations underway and potential legal action by customers as a result of the decision adopted by the European Commission, the amount of this provision is considered to represent the best estimate of the liability based on the information now available.

Tax Matters

The Group is subject to taxes in Italy and numerous other foreign jurisdictions. The Group is regularly subject to the inspection of its tax returns by the Italian tax authorities, as well as the governing tax authorities in other countries where the Group operates. The Group routinely assesses the likelihood of adverse outcomes resulting from these inspections to determine the adequacy of its provision for taxes.

The tax provisions set aside in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2014 amount to Euro 34 million, of which Euro 23 million for tax risk in Italy, Euro 7 million for tax risks in Brazil and Euro 4 million for tax risks in other countries.

The Euro 23 million tax provision set aside for tax risks in Italy relates to different companies and different years and refers to different tax adjustments including deduction of costs. Management believes this provision to be adequate.

The tax provision set aside for tax risk in Brazil amounts to 22 million Brazilian real (approximately Euro 7 million based on an exchange rate as of 31 December 2014). Management believes this provision to be adequate.

Currently, some of the Group's companies are the subject of routine inspections by the local tax authorities and, in many of the jurisdictions in which the Group operates, tax claims by the authorities involving significant amounts of money are not uncommon and may relate to earlier financial periods. Furthermore, such claims can lead to lengthy proceedings. There can be no assurance that the outcomes of the current ongoing inspections and possible future inspections will not have a material adverse effect on the Group's financial condition and results of operations.

Environmental Matters

The Group is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates, particularly in Europe, the United States and Canada. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental contamination and require producers to obtain a number of air, water, hazardous waste, and other operating permits. These standards expose the Group to the risk of substantial environmental compliance costs and liabilities, including liabilities associated with divested assets and past activities. The Group's U.S. operations are subject to, among other things, federal and state environmental remediation laws that can impose liability upon certain statutorily defined categories of parties for the entire costs of the clean-up of a contaminated site, without regard to fault or the lawfulness of the original activity. The management of environmental issues is centralised with the Health Safety & Environment (HSE) function that, by coordinating the local HSE functions, is responsible for organising specific training activities, for adopting systems to ensure strict adherence to regulations in accordance with best practices, as well as for monitoring risk exposures using specific indicators and internal and external auditing activities. It is noted that 93% of the Group's sites are certified under ISO 14001 (for environmental management systems) and 58% for OHSAS 18001 (for safety management). Although Prysmian is subject to environmental claims that have arisen in the ordinary course of its business, none of these claims is expected to have a material adverse effect on the Group's consolidated financial position or results of operations.

RISK MANAGEMENT

The Prysmian Group maintains robust risk management structures and procedures. In addition to the Board of Directors and the Board of Statutory Auditors, the Group's internal control and risk management system comprises of the following bodies, each with their own duties and responsibilities:

- the Control and Risks Committee, with powers to advise and make proposals to the Board of Directors, including to allow the Board to discharge its duties concerning management of the internal control and risk management system;
- the Compensation and Nominations Committee, with powers to advise and make proposals to the Board of Directors, including with reference to the remuneration of the directors and top management of Prysmian S.p.A., the appointment/replacement of independent directors, and the size and composition of the Board itself; and
- the Monitoring Board, with the task of supervising the operation of and compliance with the Organisational Model adopted under Italian Legislative Decree 231/2001, as well as to oversee its updating by presenting the Board of Directors with proposed revisions and amendments.

Furthermore, the Group has also implemented a dynamic system of Enterprise Risk Management (ERM) and appointed a specific Internal Risk Management Committee, consisting of the Group's Senior Management, with the mission of identifying, measuring, analysing and evaluating risk situations or events that could affect the achievement of the Group's strategic objectives and priorities. A Chief Risk Officer was appointed to manage the ERM process and provides reports to the Internal Risk Management Committee.

Financial reporting

The Group also has a sophisticated system of internal control over financial reporting. The Board of Directors, in consultation with the Board of Statutory Auditors, has appointed managers responsible for preparing corporate accounting documents. In this role, they certify at least every six months, the accuracy of the financial information disclosed to the market, the existence of adequate procedures and internal controls relating to financial reporting and the consistency of financial data communicated externally through the financial statements. The Board of Directors has also appointed the Head of Internal Audit as responsible for verifying that the system of internal control over financial reporting is always operating adequately and effectively. To this end, the Internal Audit Department draws up an annual audit plan using a structured approach to risk assessment, in line with the Group's ERM model. This plan is first approved by the Control and Risks Committee and then by the Board of Directors. The audit planning activity is not only based on the findings of the ERM process but also takes account of specific risks identified through interviews with Senior Management, and also includes any areas for which remediation actions have been previously recommended. In conducting Internal Audit activities, internal auditors are given complete access to all relevant data and information to enable them to perform each audit. The Head of Internal Audit attends every meeting of the Control and Risks Committee. The results of internal auditing activities are reported to the committee along with key findings and remediation actions. The status of the audit plan is reported during each meeting and any significant deviations or anticipated deviations are discussed and confirmed. The implementation status of previous audit recommendations or remediation actions is also reported to this committee.

INTRA-GROUP TRANSACTIONS

Group companies enter into intra-Group business transactions which include the purchase and sale of raw materials, finished goods, the licensing of intellectual property rights, the supply of services, financing and the provision of loans.

Certain functions, such as risk management, are managed at the parent company level and services such as technical, organisational and general services are provided by the Company to its subsidiaries. In addition, certain of the licences on the basis of which a Group company carries out its activities may have been entered into between the licensor and another Group company, and the materials and technologies employed by a Group subsidiary in its production process may be patented by another Group company.

EMPLOYEES

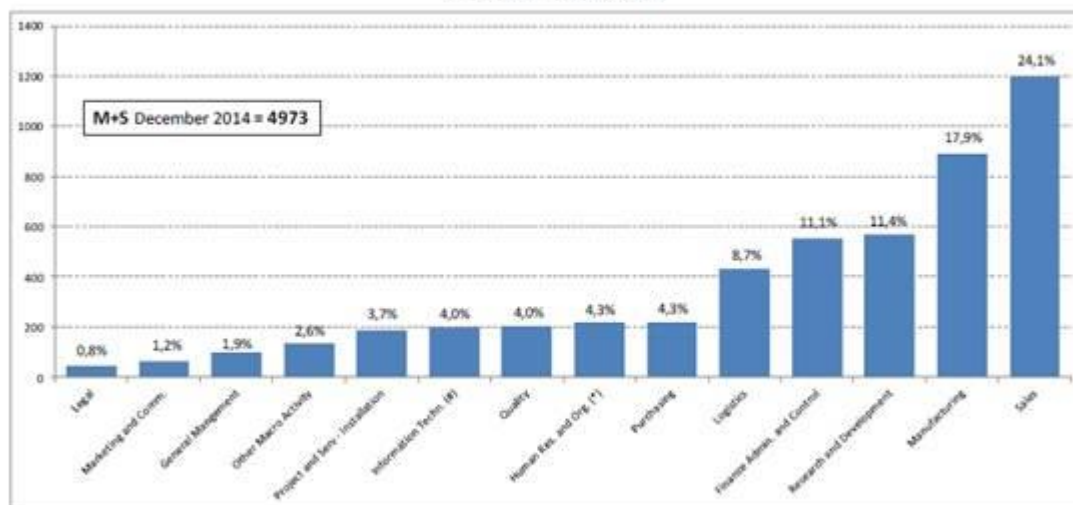
As at 31 December 2014, the Group's total headcount was 19,568, consisting of 4,973 management and staff and 14,595 blue collar workers (including 584 temporary workers and 1303 agency workers).

67% of management and staff were active in developed markets and the remainder in emerging and other markets. 62% of blue collar workers were active in mature markets and the remainder in emerging and other markets.

The following graph shows a breakdown of full-time employees by function in December 2014.

Headcount M+S - Split by Function - December 2014

FTE (Perm + Temp + Agency)



Notes : (W) : IT excluding Consultancy Resources / (*) HR and Org : of which 66% of Insourcing payroll

The level of membership of employees in trade unions varies from country to country, and Prysmian has entered into various collective bargaining agreements. Prysmian renews or replaces its various labour arrangements relating to continuing operations when they expire.

DESCRIPTION OF THE ISSUER

Incorporation and status

Prysmian S.p.A. (the **Issuer**) has its registered head office at Viale Sarca 222, 20126 Milan, Italy, telephone number + 39 02 6449.1. The Issuer is registered with the Register of Enterprises of Milan under number 04866320965. The Issuer was incorporated on 12 May 2005 and operates under the laws of the Republic of Italy in the form of a limited liability company. On 16 January 2007, an extraordinary shareholders' meeting approved the transformation of the Issuer into a joint stock company (società per azioni), effective as of 17 January 2007. The Issuer's corporate duration is currently scheduled to expire on 31 December 2100. See further "*Description of the Group - History and Development*" for a description as to how the Issuer acquired its current business.

The Issuer is the parent company of the Group. The Issuer holds, directly or indirectly, through other sub- holding companies, the equity interests in the companies through which the Group operates. The table below sets out the Issuer's consolidated subsidiaries as at 31 December 2014.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Companies consolidated on a line-by-line basis:			
Prysmian OEKW GmbH	Austria	100.00%	Prysmian Cavi e Sistemi S.r.l.
Draka Belgium N.V.	Belgium	98.52%	Draka Holding B.V.
		1.48%	Draka Kabel B.V.
Prysmian Denmark A/S	Denmark	100.00%	Draka Denmark Holding A/S
Draka Denmark Holding A/S	Denmark	100.00%	Draka Holding B.V.
AS Draka Keila Cables	Estonia	100.00%	Prysmian Finland OY
Prysmian Finland OY	Finland	77.80%	Prysmian Cavi e Sistemi S.r.l.
		19.93%	Draka Holding B.V.
		2.27%	Draka Comteq B.V.
Prysmian (French) Holdings S.A.S.	France	100.00%	Prysmian Cavi e Sistemi S.r.l.
GSCP Athena (French) Holdings II S.A.S.	France	100.00%	Prysmian (French) Holdings S.A.S.
Prysmian Cables et Systèmes France S.A.S.	France	100.00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France S.A.S.	France	100.00%	Draka France S.A.S.
Draka Fileca S.A.S.	France	100.00%	Draka France S.A.S.
Draka Paricable S.A.S.	France	100.00%	Draka France S.A.S.
Draka France S.A.S.	France	100.00%	Draka Holding B.V.
Quoroon S.A.S.	France	100.00%	Prysmian Cables et Systemes France S.A.S.
Prysmian Kabel und Systeme GmbH	Germany	93.75%	Draka Cable Wuppertal GmbH
		6.25%	Prysmian S.p.A.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Germany	100.00%	Prysmian Kabel und Systeme GmbH
Draka Cable Wuppertal GmbH	Germany	100.00%	Draka Deutschland GmbH
Draka Comteq Berlin GmbH & Co.KG	Germany	50.10%	Prysmian Netherlands B.V.
		49.90%	Draka Deutschland GmbH
Draka Comteq Germany Verwaltungs GmbH	Germany	100.00%	Draka Comteq BV
Draka Comteq Germany GmbH & Co.KG	Germany	100.00%	Draka Comteq B.V.
Draka Deutschland Erste Beteiligungs- GmbH	Germany	100.00%	Draka Holding B.V.
Draka Deutschland GmbH	Germany	90.00%	Draka Deutschland Erste Beteiligungs GmbH
		10.00%	Draka Deutschland Zweite Beteiligungs GmbH
Draka Deutschland Verwaltungs GmbH	Germany	100.00%	Draka Cable Wuppertal GmbH
Draka Deutschland Zweite Beteiligungs GmbH	Germany	100.00%	Prysmian Netherlands B.V.
Draka Kabeltechnik GmbH	Germany	100.00%	Draka Cable Wuppertal GmbH
Draka Service GmbH	Germany	100.00%	Draka Cable Wuppertal GmbH
Höhn GmbH	Germany	100.00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Germany	100.00%	Draka Deutschland GmbH
Kaiser Kabel Vertriebs GmbH i.L.	Germany	100.00%	Kaiser Kabel GmbH
NKF Holding (Deutschland) GmbH	Germany	100.00%	Prysmian Netherlands B.V.
usb-elektro Kabelkonfektions-GmbH i.L.	Germany	100.00%	Draka Holding B.V
Wagner Management-und Projektgesellschaft mit beschränkter Haftung i.L.	Germany	60.00%	Draka Cable Wuppertal GmbH
		40.00%	Third parties
Prysmian Cables & Systems Ltd.	U.K.	100.00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	U.K.	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	U.K.	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Industrial) Ltd.	U.K.	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Supertension) Ltd.	U.K.	100.00%	Prysmian Cables & Systems Ltd.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Prysmian Cables and Systems International Ltd.	U.K.	100.00%	Prysmian Cavi e Sistemi S.r.l.
Cable Makers Properties & Services Limited	U.K.	74.99%	Prysmian Cables & Systems Ltd.
		25.01%	Third parties
Prysmian Telecom Cables and Systems UK Ltd.	U.K.	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Metals Limited	U.K.	100.00%	Prysmian Cables & Systems Ltd.
Comergy Ltd.	U.K.	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Limited	U.K.	100.00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	U.K.	100.00%	Draka Holding B.V.
Draka Distribution Aberdeen Limited	U.K.	100.00%	Draka UK Group LTD.
Draka Comteq UK Ltd.	U.K.	100.00%	Prysmian UK Group Ltd
Draka UK Ltd.	U.K.	100.00%	Draka UK Group Ltd.
Draka UK Group Ltd.	U.K.	99.99999%	Prysmian UK Group Ltd.
		0.00001%	Third parties
Draka UK Pension Plan Trust Company Ltd.	U.K.	100.00%	Draka UK Ltd.
Prysmian Powerlink Services Ltd.	U.K.	100.00%	Prysmian UK Group Ltd.
Prysmian Financial Services Ireland Ltd.	Ireland	100.00%	Third parties
Prysmian Re Company Ltd.	Ireland	100.00%	Draka Holding B.V.
Prysmian Cavi e Sistemi S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Italy	100.00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian Electronics S.r.l.	Italy	80.00%	Prysmian Cavi e Sistemi S.r.l.
		20.00%	Third parties
Prysmian Treasury (Lux) S.à r.l.	Luxembourg	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Kabler og Systemer A.S.	Norway	100.00%	Prysmian Finland OY
Draka Norsk Kabel A.S.	Norway	100.00%	Draka Norway A.S.
Draka Norway A.S.	Norway	100.00%	Draka Holding B.V.
Draka Comteq B.V.	The Netherlands	100.00%	Draka Holding B.V.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Draka Comteq Fibre B.V.	The Netherlands	100.00%	Prysmian Netherlands Holding B.V.
Draka Holding B.V.	The Netherlands	52.165%	Prysmian S.p.A.
		47.835%	Prysmian Cavi e Sistemi S.r.l.
Draka Kabel B.V.	The Netherlands	100.00%	Prysmian Netherlands B.V.
Donne Draad B.V.	The Netherlands	100.00%	Prysmian Netherlands B.V.
Prysmian Treasury (The Netherlands) B.V.	The Netherlands	100.00%	Draka Holding B.V.
NK China Investments B.V.	The Netherlands	100.00%	Prysmian Netherlands B.V.
NKF Vastgoed I B.V.	The Netherlands	99.00%	Draka Holding B.V.
		1.00%	Prysmian Netherlands B.V.
NKF Vastgoed III B.V.	The Netherlands	99.00%	Draka Deutschland GmbH
		1.00%	Prysmian Netherlands B.V.
Draka Sarphati B.V.	The Netherlands	100.00%	Draka Holding B.V.
Prysmian Netherlands B.V.	The Netherlands	100.00%	Prysmian Netherlands Holding B.V.
Prysmian Netherlands Holding B.V.	The Netherlands	100.00%	Draka Holding B.V.
Draka Kabely, s.r.o.	Czech Republic	100.00%	Draka Holding B.V.
Prysmian Cabluri Si Sisteme S.A.	Romania	99.9995%	Draka Holding B.V.
		0.0005%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company Prysmian RUS	Russia	99.00%	Draka Holding B.V.
		1.00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Russia	100.00%	Limited Liability Company Prysmian RUS
Draka Industrial Cable Russia LLC	Russia	100.00%	Draka Holding B.V.
Neva Cables Ltd	Russia	100.00%	Prysmian Finland OY
Prysmian Kablo s.r.o.	Slovakia	99.995%	Prysmian Cavi e Sistemi S.r.l.
		0.005%	Prysmian S.p.A.
Draka Comteq Slovakia s.r.o.	Slovakia	100.00%	Draka Comteq B.V.
Prysmian Spain S.A.U.	Spain	100.00%	Draka Holding N.V. y CIA Soc. Col.
Marmavil.S.L.U.	Spain	100.00%	Draka Holding B.V.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Draka Holding NV Y CIA Soc. Col.	Spain	99.99999%	Draka Holding B.V.
		0.00001%	Marmavil.S.L.U.
Draka Comteq Iberica, S.L.U.	Spain	100.00%	Draka Holding NV Y CIA Soc. Col.
Draka Sweden AB	Sweden	100.00%	Draka Holding B.V.
Draka Kabel Sverige AB	Sweden	100.00%	Draka Sweden AB
Prysmian Cables and Systems SA	Switzerland	100.00%	Draka Holding B.V.
Turk Prysmian Kablo Ve Sistemleri A.S.	Turkey	83.746%	Draka Holding B.V.
		16.254%	Third parties
Draka Istanbul Asansor İthalat İhracat Üretim Ticaret Ltd. Şti.	Turkey	100.00%	Draka Holding B.V.
Draka Comteq Kablo Limited Sirketi	Turkey	99.50%	Draka Comteq B.V.
		0.50%	Prysmian Netherlands B.V.
Prysmian MKM Magyar Kabel Muvek Kft.	Hungary	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables and Systems Canada Ltd.	Canada	100.00%	Draka Holding B.V.
Draka Elevator Products, Incorporated	Canada	100.00%	Draka Cableteq USA, Inc.
Prysmian Cables and Systems (US) Inc.	U.S.A.	100.00%	Draka Holding B.V.
Prysmian Cables and Systems USA LLC	U.S.A.	100.00%	Prysmian Cables and Systems (US) Inc.
Prysmian Construction Services Inc	U.S.A.	100.00%	Prysmian Cables and Systems USA LLC
Draka Cableteq USA Inc.	U.S.A.	100.00%	Prysmian Cables and Systems (US) Inc.
Draka Elevator Products, Inc.	U.S.A.	100.00%	Draka Cableteq USA Inc.
Draka Transport USA LLC	U.S.A.	100.00%	Draka Cableteq USA Inc.
Prysmian Energia Cables y Sistemas de Argentina S.A.	Argentina	94.425068%	Prysmian Consultora Conductores e Instalaciones SAIC
		4.986374%	Draka Holding B.V.
		0.270284%	Prysmian Draka Brasil S.A
		0.318274%	Third parties
Prysmian Consultora Conductores e Instalaciones SAIC	Argentina	95.00%	Draka Holding B.V.
		5.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Energia Cabos e Sistemas do Brasil S.A.	Brazil	99.857%	Prysmian Cavi e Sistemi S.r.l.
		0.143%	Prysmian S.p.A.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Prysmian Surflex Umbilicais e Tubos Flexíveis do Brasil Ltda	Brazil	99.000000004 %	Prysmian Cavi e Sistemi S.r.l.
		0.999999996 %	Prysmian S.p.A.
Prysmian Draka Brasil S.A	Brazil	55.885510%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
		34.849900%	Draka Comteq B.V.
		9.206810%	Draka Holding B.V
		0.057040%	Prysmian Cavi e Sistemi S.r.l.
		0.000630%	Prysmian Netherlands B.V.
		0.000120%	Draka Kabel B.V.
Prysmian Fibras Óticas Brasil Ltda	Brazil	99.99%	Prysmian Draka Brasil S.A
		0.01 %	Prysmian Energia Cabos e Sistemas do Brasil SA
Draka Comteq Cabos Brasil S.A	Brazil	77.836%	Draka Comteq B.V.
		22.164%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
Prysmian Instalaciones Chile S.A.	Chile	99.80%	Prysmian Consultora Conductores e Instalaciones SAIC
		0.20%	Third parties
Draka Durango S. de R.L. de C.V.	Mexico	99.996%	Draka Mexico Holdings S.A. de C.V.
		0.004%	Draka Holding B.V
Draka Mexico Holdings S.A. de C.V.	Mexico	99.999998%	Draka Holding B.V
		0.000002%	Draka Comteq B.V.
NK Mexico Holdings S.A. de C.V.	Mexico	100.00%	Prysmian Finland OY
Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Mexico	0.033%	Draka Holding B.V
		99.967%	Draka Mexico Holdings S.A. de C.V.
SICABLE - Société Ivoirienne de Cables S.A.	Ivory Coast	51.00%	Prysmian Cables et Systèmes France S.A.S.
		49.00%	Third parties
Auto Cables Tunisie S.A.	Tunisia	50.998%	Prysmian Cables et Systèmes France S.A.S.
		49.002%	Third parties
Eurelectric Tunisie S.A.	Tunisia	99.946%	Prysmian Cables et Systèmes France S.A.S.
		0.009%	Prysmian (French) Holdings

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
			S.A.S.
		0.009%	Prysmian Cavi e Sistemi S.r.l.
		0.036%	Third parties
Prysmian Power Cables & Systems Australia Pty Ltd.	Australia	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Telecom Cables & Systems Australia Pty Ltd.	Australia	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Power Cables & Systems New Zealand Ltd.	New Zealand	100.00%	Prysmian Power Cables & Systems Australia Pty Ltd.
Prysmian Powerlink Saudi LLC	Saudi Arabia	95.00%	Prysmian PowerLink S.r.l.
		5.00%	Third parties
Prysmian Tianjin Cables Co. Ltd.	China	67.00%	Prysmian (China) Investment Company Ltd.
		33.00%	Third parties
Prysmian Cable (Shanghai) Co.Ltd.	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Baosheng Cable Co.Ltd.	China	67.00%	Prysmian (China) Investment Company Ltd.
		33.00%	Third parties
Prysmian Wuxi Cable Co. Ltd .	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Angel Tianjin Cable Co. Ltd.	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	China	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	China	100.00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	China	75.00%	Draka Elevator Product Inc.
		25.00%	Third parties
Nantong Zhongyao Draka Elevator Products Co. LTD	China	75.00%	Draka Elevator Product Inc.
		25.00%	Third parties
Draka Cables (Hong Kong) Limited	China	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Shanghai Optical Fibre Cable Co Ltd.	China	55.00%	Draka Comteq Germany GmbH & Co.KG
		45.00%	Third parties
Suzhou Draka Cable Co. Ltd	China	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
NK Wuhan Cable Co. Ltd.	China	60.00%	NK China Investments B.V.
		5.62%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
		20.00%	Third parties
Draka Philippines Inc.	Philippines	99.999975%	Draka Holding B.V.
		0.0000025%	Third parties
Associated Cables Pvt. Ltd.	India	32.00%	Draka UK Group Ltd.
		28.00%	Prysmian Treasury (The Netherlands) B.V.
		40.00%	Oman Cables Industry SAOG
Jaguar Communication Consultancy Services Private Ltd.	India	99.99997%	Prysmian Cavi e Sistemi S.r.l.
		0.00003%	Prysmian S.p.A.
P.T.Prysmian Cables Indonesia	Indonesia	99.48%	Draka Holding B.V.
		0.52%	Prysmian Cavi e Sistemi S.r.l.
Submarine Cable Installation Sdn Bhd	Malaysia	100.00%	Prysmian Cavi e Sistemi S.r.l.
Sindutch Cable Manufacturer Sdn Bhd	Malaysia	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Marketing and Services Sdn Bhd	Malaysia	100.00%	Cable Supply and Consulting Company Pte Ltd
Draka (Malaysia) Sdn Bhd	Malaysia	100.00%	Cable Supply and Consulting Company Pte Ltd
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	100.00%	Draka Holding B.V.
Prysmian Cable Systems Pte Ltd.	Singapore	50.00%	Draka Holding B.V.
		50.00%	Prysmian Cables & Systems Ltd.
Draka Offshore Asia Pacific Pte Ltd	Singapore	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Cableteq Asia Pacific Holding Pte Ltd	Singapore	100.00%	Draka Holding B.V.
Singapore Cables Manufacturers Pte Ltd	Singapore	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Cable Supply and Consulting Company Pte Ltd	Singapore	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Comteq Singapore Pte Ltd	Singapore	100.00%	Draka Comteq B.V.
Draka NK Cables (Asia) pte ltd	Singapore	100.00%	Prysmian Finland OY
MCI-Draka Cable Co. Ltd	Thailand	70.250172%	Draka Cableteq Asia Pacific Holding Pte Ltd
		0.000023%	Draka (Malaysia) Sdn Bhd
		0.000023%	Sindutch Cable Manufacturer Sdn Bhd

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
		0.000023%	Singapore Cables Manufacturers Pte Ltd
		29.749759%	Third parties
Companies consolidated for using the equity method:			
Kabeltrommel GmbH & CO.KG	Germany	29.68%	Prysmian Kabel und Systeme GmbH
		13.50%	Draka Cable Wuppertal GmbH
		56.82%	Third parties
Kabeltrommel GmbH	Germany	17.65%	Prysmian Kabel und Systeme GmbH
		23.53%	Draka Cable Wuppertal GmbH
		58.82%	Third parties
KTG Europe GmbH	Germany	100.00%	Kabeltrommel GmbH & CO.KG
Rodco Ltd.	U.K.	40.00%	Prysmian Cables & Systems Ltd.
		60.00%	Third parties
Eksa Sp.z.o.o	Poland	29.949%	Prysmian Cavi e Sistemi S.r.l.
		70.051%	Third parties
Elkat Ltd.	Russia	40.00%	Prysmian Finland OY
		60.00%	Third parties
Yangtze Optical Fibre and Cable Joint Stock Limited Co.	China	28.12%	Draka Comteq B.V.
		71.88%	Third parties
Yangtze Optical Fibre and Cable Company (Hong Kong) Ltd.	China	100.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd.	China	21.09%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		25.00%	Draka Comteq B.V.
EverPro Technologies Company Limited	China	69.23%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		30.77%	Third parties
EverProsper Technologies Company Limited	China	100.00%	EverPro Technologies Company Limited
Jiangsu Yangtze Zhongli Optical Fibre & Cable Co., Ltd.	China	51.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		49.00%	Third parties
Yangtze Optical Fibre & Cable Sichuan Co. Ltd.	China	51.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
		49.00%	Third parties
Tianjin YOFC XMKJ Optical Communications Co.,Ltd.	China	49.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		51.00%	Third parties
Yangtze (Wuhan) Optical System Corp., Ltd.	China	46.32%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		53.68%	Third parties
Shantou Hi-Tech Zone Aoxing Optical Communication EquipmentsCo.,Ltd.	China	42.42%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		57.58%	Third parties
Shenzhen SDGI Optical Fibre Co., Ltd.	China	35.36%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		64.64%	Third parties
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	China	20.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		80.00%	Third parties
Wuhan Guanyuan Electronic Technology Co. Ltd.	China	20.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
		80.00%	Third parties
Precision Fiber Opticos Ltd.	Japan	50.00%	Draka Comteq Fibre B.V.
		50.00%	Third parties
Power Cables Malaysia Sdn Bhd	Malaysia	40.00%	Draka Holding B.V.
		60.00%	Third parties
Oman Cables Industry SAOG	Sultanate of Oman	34.78%	Draka Holding B.V.
		65.22%	Third parties

Share capital

As at the date of this Prospectus, the authorised share capital of the Issuer is equal to Euro 23,586,498.30, and its issued and paid-up share capital is equal to Euro 21,672,092.20, divided into 216,720,922 ordinary shares outstanding, with a nominal value of Euro 0.10 each. The authorised share capital is inclusive of the following authorised share capital increases:

- (i) up to Euro 213,150, approved by the shareholders' meeting held on 14 April 2011, for a long-term incentive plan in favour of the Issuer's employees,
- (ii) up to Euro 1,344,411.30, approved by the shareholders' meeting held on 16 April 2013, for the conversion of the "€300,000,000 1.25 per cent. Equity Linked Bonds due 2018" Bond Loan, and
- (iii) up to Euro 536,480, approved by the shareholders' meeting held on 16 April 2014, for a long-term incentive plan in favour of the Issuer's employees.

The long-term incentive plan under the authorised capital increase at paragraph (i) above was completed during the period September 2014-February 2015, and the abovementioned issued and paid-up share capital reflects the number of new shares actually issued as at the date of this Prospectus in the framework of the said incentive plan.

On 31 July 2014, the board of directors resolved not to execute the mandate received from the shareholders allowing implementation of the long-term incentive plan under paragraph (iii) above, therefore the relevant capital increase authorization will remain unused.

Prysmian has been listed on the Italian Stock Exchange since May 2007 and its shares are traded on the MTA, the regulated market of the Italian Stock Exchange.

Shareholders

As at 31 March 2015, based on the information made public by CONSOB, shareholders owning (directly and indirectly) more than 2 per cent. of the share capital of the Issuer are as follows:

Clubtre S.p.A.	6.199%
J.P. Morgan Chase & Co.	2.170%
Norges Bank	2.265%
State Street Global Advisors Ireland Ltd.	2.132%
T. Rowe Price Associates Inc.	2.007%
People's Bank of China	2.018%
Massachusetts Financial Services Company	2.151%

To the best knowledge of the Issuer, no other shareholder owns more than 2 per cent. of ordinary shares in the Issuer. To the best knowledge of the Issuer, there are no arrangements in place the operation of which may at a subsequent date result in a change in control of the Issuer.

Board of Directors

General

Pursuant to Prysmian's by-laws, the board of directors may be composed of not less than 7 and not more than 13 members. As of the date of this Prospectus, Prysmian's board of directors is composed of 11 members, 10 of whom were appointed at the shareholders' meeting held on 18 April 2012 while one of them was appointed at the shareholders' meeting held on 16 April 2014 as a replacement of a director who resigned from office. All the current directors will remain in office until the shareholders' meeting held to approve the Issuer's 2014 stand-alone financial statements, which is scheduled for 16 April 2015. For further information please see "*Description of the Group - Recent Developments*".

Pursuant to the Issuer's by-laws, the board of directors is ultimately responsible for the general policies and management of the Issuer. The board of directors establishes the strategic, accounting, organisational and financing policies and appoints, recalls and supervises the members of the management. Moreover, the board of directors is responsible for the preparation of annual reports, organising and preparing shareholders' meetings and the implementation of shareholders' resolutions.

Members of the Board of Directors

The following table sets forth the current members of Prysmian's board of directors, their years of birth and the position they hold within the Issuer:

Name –	Year of Birth	(position with Prysmian)
Massimo Tononi –	1964	(Chairman)*
Battista Valerio –	1957	(CEO and General Manager)
Maria Elena Cappello –	1968	(Director)**
Cesare d’Amico –	1957	(Director)**
Claudio De Conto –	1962	(Director)**
Giulio Del Ninno –	1940	(Director)**
Massimo Battaini –	1967	(Director and Senior Vice President Energy Projects)
Pier Francesco Facchini –	1967	(Director and CFO)
Fritz Froehlich –	1942	(Director)**
Fabio Ignazio Romeo –	1955	(Director and CSO)
Giovanni Tamburi –	1954	(Director)**

* Independent directors under Italian law

** Independent directors under both Italian law and Self-Regulation Code for Listed Company issued by Borsa Italiana S.p.A.

The business address of the members of the Issuer's board of directors, for the purpose of their office, is Viale Sarca 222, 20126 Milan, Italy.

The following table sets forth the positions held as at the date of this Prospectus by the members of the board of directors with other companies which are significant with respect to the Issuer and according to the Self-Regulation Code for Listed Company issued by Borsa Italiana S.p.A. (the **Corporate Governance Code**) to which the Issuer has adhered (positions held in companies listed on regulated markets, or in financial, banking or insurance companies).

NAME AND SURNAME	OFFICE	COMPANY
Massimo Tononi *	Director	Italmobiliare S.p.A.
	Director	Sorin S.p.A.
	Director	London Stock Exchange
	Chairman	Euro TLX SIM S.p.A.
	Chairman BoD	Borsa Italiana S.p.A.
	Chairman	ISA - Istituto Atesino di Sviluppo S.p.A.
	Chairman	Cassa di Compensazione e Garanzia S.p.A.
	Director	Castello SGR S.p.A.
Valerio Battista	Chairman	Prysmian Cavi e Sistemi S.r.l.***
Massimo Battaini	Chairman and CEO	Prysmian PowerLink S.r.l. ***
	Director	Prysmian Powerlink Services Ltd ***
	Chairman	Limited Liability Company Prysmian Rus ***
	Member of Supervisory Board	Prysmian Netherlands Holding B.V. ***
	Director	Prysmian Powerlink Saudi LLC ***
Maria Elena Cappello **	Director	Sace S.p.A.

NAME AND SURNAME	OFFICE	COMPANY
Cesare d'Amico **	Director	d'Amico International Shipping S.A.
	Vice Chairman	Tamburi Investment Partners S.p.A.
	Vice Chairman	The Standard Club Europe Ltd
Claudio De Conto **	Chairman	Star Capital SGR S.p.A.
	CEO	Artsana Group
Giulio Del Ninno **	Vice Chairman	Italgas S.p.A.
Pier Francesco Facchini	Chairman BoD	Prysmian Treasury S.r.l. ***
	Director	Prysmian Cavi e Sistemi S.r.l. ***
	Director	Prysmian (China) Investment Company Ltd ***
	Chairman of Comitato del Controllo	Prysmian Cables et Systemes France s.a.s. ***
	Chairman of Comitato del Controllo	Draka Comteq France s.a.s. ***
	Chairman of Supervisory Board	Prysmian Netherlands Holding B.V. ***
	Chairman of Board of Commissioners	P.T. Prysmian Cables Indonesia ***
	Chairman of Supervisory Board	Prysmian MKM Magyar Kabel Muvek KFT ***
	Director	Prysmian Spain S.A.U. ***
Friedrich Wilhelm Froehlich **	Chairman	Randstad NV
	Director	ASML NV
	Director	Rexel SA
Fabio Ignazio Romeo	Chairman	Oman Cables Industry S.A.O.G.
	Director	CESI- Giacinto Motta S.p.A.
	Director	Prysmian (China) Investment Co. Ltd. ***
	Director	Prysmian Tianjin Cables Co. Ltd. ***
	Member of the Comitato del Controllo	Prysmian Cables et Systemes France S.A.S. ***
	Director	Prysmian Cables and Systems Canada Ltd. ***
	Director	Draka Cableteq Asia Pacific Holding Pte. Ltd. ***
	Director	Prysmian Cables & Systems Ltd. ***
	Vice-Chairman	Elkat Ltd. ***
	Director	Prysmian Baosheng Cable Co. Ltd. ***

<i>NAME AND SURNAME</i>	<i>OFFICE</i>	<i>COMPANY</i>
	Member of the Supervisory Board	Prysmian Netherlands Holding B.V. ***
Giovanni Tamburi **	Chairman and CEO	Tamburi Investment Partners S.p.A.
	Director	Amplifon S.p.A.
	Director	Interpump S.p.A.
	Director	Zignago Vetro S.p.A.

* Independent directors under Italian law

** Independent directors under both Italian law and Corporate Governance Code.

*** Prysmian Group company

Election of Board of Directors

The members of the Issuer's board of directors are appointed or removed by shareholder resolutions. In the event a member resigns, the board of directors may appoint a temporary director to serve until a new director can be elected by a shareholders' meeting.

The by-laws establish a cumulative voting system for the election of the members of the board of directors whereby any shareholder or a group of shareholders acting together that holds 2 per cent. or more (or such lower percentage as required under applicable law or regulations from time to time) of ordinary shares of Prysmian carrying the right to vote in the ordinary shareholders' meeting is entitled to present a list of potential directors. This cumulative voting system ensures that at least one sixth of the members of the Issuer's board of directors will be appointed by minority shareholders as required by Legislative Decree no. 58 of 24February 1998 (the **Unified Financial Act**), if a slate of candidates is actually presented by a minority.

The CEO, Mr. Valerio Battista, is in charge of the Group's ordinary business.

Committees

In compliance with the relevant requirements of the Italian Corporate Governance Code and the provisions contained in the rules applicable to the MTA market, the Issuer's board of directors has appointed the following committees:

- a control and risks committee; and
- a compensation and nomination committee.

The board of directors has also resolved:

- to comply with the Corporate Governance Code; and
- to approve specific rules concerning the functioning of the above committees.

The Corporate Governance Code requires that the majority of the members serving on both the internal committees be independent directors. The composition of the above committees is as follows:

control and risks committee	
Claudio De Conto **	<i>Chairman</i>
Maria Elena Cappello **	<i>Member</i>
Friedrich Wilhelm Frohlich **	<i>Member</i>

compensation and nomination committee	
Giulio Del Ninno **	<i>Chairman</i>
Claudio De Conto **	<i>Member</i>
Massimo Tononi *	<i>Member</i>

* Independent directors under Italian law.

** Independent directors under both Italian law and Corporate Governance Code.

Senior Management

The table below sets forth the names, years of birth and position of the senior management team of the Issuer, being the executive Directors and the other Managers with strategic responsibilities appointed by the Board of Directors in accordance with provisions of article 152-sexies, paragraph 1, letter c.2), of CONSOB Resolution No.11971/99 ("Issuers Regulation").

Member	Year of Birth	Position with Prysmian
Valerio Battista	1957	Chief Executive Officer
Massimo Battaini	1961	Senior Vice President Business Energy Project
Pier Francesco Facchini	1967	Chief Financial Officer
Hans Nieman	1958	Senior Vice President Business Energy Products
Andrea Pirondini	1965	Chief Operations Officer
Fabio Romeo	1955	Chief Strategy Officer
Philippe Vanhille	1964	Senior Vice President Business Telecom

Valerio Battista, Massimo Battaini, Pier Francesco Facchini and Fabio Romeo are also members of the board. See above "*Board of Directors*".

Board of Statutory Auditors

General

Pursuant to the Issuer's by-laws, the board of statutory auditors was appointed by a resolution of the shareholders' meeting on 16 April 2013. It will remain in office until the date of the shareholders' meeting that will be called to approve the Issuer's 2015 stand-alone financial statements, which shareholders' meeting shall appoint the new board of statutory auditors. The board of statutory auditors is composed of three standing auditors and two alternate auditors who are independent experts in accounting matters. The board of statutory auditors is required to meet at least once every 90 days, must promptly report any irregularities to CONSOB and is also obliged to report specified matters to the shareholders and the courts. Any members of the board of statutory auditors may request information directly from the Issuer. The board of statutory auditors or any two of its standing members may call meetings of the shareholders and each standing member of the board of statutory auditors may call meetings of the board of directors and of the executive committee (if any), in each case, subject to prior notification to the chairman of the board of directors. The board of statutory auditors may also request information from the directors regarding the Issuer's management, carry out inspections at the Issuer and exchange information with the Issuer's independent accountants.

Members of the Board of the Statutory Auditors

The following table sets forth the current members of the Issuer's board of statutory auditors, their years of birth and position they hold within the board of statutory auditors:

Name	Year of Birth	Position with Prysmian
Pellegrino Libroia	1946	Chairman of the Board of Statutory Auditors
Paolo Lazzati	1958	Standing Auditor
Maria Luisa Mosconi	1962	Standing Auditor
Marcello Garzia	1946	Alternate Auditor
Claudia Mezzabotta	1970	Alternate Auditor

The following table sets forth the positions held by the standing auditors with other companies as at the date of this Prospectus.

Member	Company	Position held
Pellegrino Libroia	Campari International S.r.l.	Chairman of the Board of Statutory Auditors
	Campari Services S.r.l.	Chairman of the Board of Statutory Auditors
	Campari Wines S.r.l.	Chairman of the Board of Statutory Auditors
	Casoni Fabbricazione Liquori	Chairman of the Board of Statutory Auditors
	Compass S.p.A.	Standing Auditor
	Davide Campari - Milano S.p.A.	Chairman of the Board of Statutory Auditors
	Dueemme SGR S.p.A.	Director
	Ethica Corporate Finance S.p.A.	Chairman of the Board of Statutory Auditors
	Fratelli Averna S.p.A.	Chairman of the Board of Statutory Auditors
	M-I Stadio S.r.l.	Standing Auditor
	Palladio Leasing S.p.A.	Chairman of the Board of Statutory Auditors
	Selmabipiemme Leasing S.p.A.	Chairman of the Board of Statutory Auditors
Paolo Francesco Lazzati	Prysmian PowerLink S.r.l.*	Chairman of the Board of Statutory Auditors
	Prysmian Cavi e Sistemi S.r.l.*	Standing Auditor
	Accadiesse S.p.A. in liquidazione	Chairman of the Board of Statutory Auditors
	Antica Focacceria San Francesco S.p.A.	Standing Auditor
	Antonio Cerruti & c. Sapa	Standing Auditor
	Associazione Filarmonica della	Auditor

Member	Company	Position held
	Scala	
	Capitolotre S.p.A.	Chairman of the Board of Statutory Auditors
	Carta Si S.p.A.	Chairman of the Board of Statutory Auditors
	Cerruti Tessile S.p.A.	Standing Auditor
	CIFA S.p.A.	Standing Auditor
	Dear S.p.A.	Standing Auditor
	Effe 2005 Gruppo Feltrinelli S.p.A.	Standing Auditor
	Effe com S.r.l. Iniziative Commerciali	Standing Auditor
	Elesa S.p.A.	Standing Auditor
	Effe tv S.r.l.	Standing Auditor
	Erogasmet Holding S.p.A.	Standing Auditor
	Fidia Finanziaria S.p.A.	Chairman of the Board of Statutory Auditors
	Finaval S.p.A.	Standing Auditor
	Finlibri S.r.l.	Standing Auditor
	Finpol S.p.A.	Chairman of the Board of Statutory Auditors
	Fondo Italiano di Investimento SGR S.p.A.	Standing Auditor
	Giangiaco Feltrinelli Editore S.r.l.	Chairman of the Board of Statutory Auditors
	Gut Edizioni S.p.A.	Standing Auditor
	ICBPI S.p.A.	Standing Auditor
	ICIERRE S.r.l.	Standing Auditor
	Holden S.r.l.	Chairman of the Board of Statutory Auditors
	Ilma Plastica S.p.A.	Standing Auditor
	Iniziative Immobiliari 3 S.r.l.	Standing Auditor
	Its Right	Standing Auditor
	Lanificio f.lli Cerruti S.p.A.	Standing Auditor
	Librerie delle Stazioni S.r.l.	Chairman of the Board of Statutory Auditors
	Librerie Feltrinelli S.r.l.	Standing Auditor
	Maristel S.p.A.	Standing Auditor
	Monit S.p.A.	Chairman of the Board of Statutory Auditors
	Orione Immobiliare Prima S.p.A.	Standing Auditor
	Parcheggi Bicocca S.r.l.	Chairman of the Board of Statutory

Member	Company	Position held
		Auditors
	PDE S.p.A.	Chairman of the Board of Statutory Auditors
	Pirelli Industrie Pneumatici S.r.l.	Chairman of the Board of Statutory Auditors
	Prelios Valuations & E Services S.p.A.	Chairman of the Board of Statutory Auditors
	Pirelli Tyre S.p.A.	Chairman of the Board of Statutory Auditors
	Prelios Agency S.p.A.	Chairman of the Board of Statutory Auditors
	Progetto Corsico S.r.l.	Standing Auditor
	Progetto Nuovo Sant'Anna S.r.l.	Chairman of the Board of Statutory Auditors
	S.An.Co. Scarl	Standing Auditor
	SASID S.p.A.	Standing Auditor
	Societa degli Avi S.p.A.	Chairman of the Board of Statutory Auditors
	Sofid S.p.A.	Standing Auditor
	Uso S.r.l. In liquidazione	Chairman of the Board of Statutory Auditors
	Veneta gas S.p.A.	Chairman of the Board of Statutory Auditors
	Parmalat S.p.A.	Director
	Elle Servizi S.r.l.	Director
	Plezzo 24 S.r.l.	Sole Director
	Pro Juvara S.r.l.	Director
	So.Ge.St. 2 S.r.l.	Sole Director
	Stone S.r.l.	Director
Maria Luisa Mosconi	Biancamano S.p.A.	Director
	Azienda Trasporti Milanesi - ATM S.p.A.	Standing Auditor
	The Walt Disney Company Italia S.p.A.	Standing Auditor
	Movibus S.r.l.	Standing Auditor
	NET s.r.l.	Standing Auditor
	Unipol Real Estate S.r.l.	Standing Auditor
	Green Hunter Group S.p.A.	Chairman of the Board of Statutory Director
	Green Hunter S.p.A.	Standing Auditor
	Conceria Gaiera Giovanni S.p.A.	Director
	Metal – Work S.p.A.	Standing Auditor
	Napoli Metro Engineering S.r.l.	Standing Auditor

(*) Prysmian Group company.

The business address of the members of the Issuer's board of statutory auditors, for the purpose of their office, is Viale Sarca 222, 20126 Milan, Italy.

Appointment and Removal

The members of the board of statutory auditors are elected by the shareholders, and may be removed only for cause and with the approval of an Italian court.

The by-laws establish a cumulative voting system for the election of the members of the board of statutory auditors whereby any shareholder or a group of shareholders acting together that holds 2 per cent. or more (or such lower percentage as required under applicable law or regulations from time to time) of ordinary shares of Prysmian with right to vote in the ordinary shareholders' meeting is entitled to present a list of potential auditors. In accordance with Article 148 of the Unified Financial Act, this voting system ensures that at least one standing auditor and one alternate auditor is chosen by the minority shareholders, if a slate of candidates is actually presented by a minority.

Additional information on directors, statutory auditors and senior managers of the Group

Conflicts of interest

To the best of the Issuer's knowledge as of the date of this Prospectus, there are no potential conflicts of interests between any duties of the Issuer's members of the board of directors and board of statutory auditors to the Issuer on the one hand, and their private interests or other duties on the other hand.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Taxation in Italy

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996 (**Decree 239**), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian resident companies with shares traded on a EU or EEA regulated market or multilateral trading facility. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or of control of) to management of the issuer.

Italian resident holders

Where the Italian resident holder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see "Capital Gains Tax" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. In the event that the holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident holder of the Notes is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant holder's

income tax return and are therefore subject to general Italian Corporate taxation (**IRES**) (and, in certain circumstances, depending on the "status" of the holder, also to IRAP – the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital (**Real Estate SICAFs**), are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is a fund, an Italian investment company with fixed capital (**SICAF**) or an Italian investment company with variable capital (**SICAV**) established in Italy and either (i) the fund, the SICAF or the SICAV or their manager is subject to the supervision of a regulatory authority (the **Fund**) and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. (the **Collective Investment Fund Tax**) will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident holder of a Note is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (with certain adjustments for fiscal year 2015 as provided by Law No. 190 of 23 December 2014 (the **Finance Act for 2015**)).

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an **Intermediary**).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a holder of a Note.

Non-Italian resident holders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank

or an entity which manages, inter alia, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

The countries which allow for a satisfactory exchange of information are listed in the Ministerial Decree dated 4 September 1996, as amended from time to time.

Please note that according to the Law No. 244 of 24 December 2007 (**Budget Law 2008**) a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which allow for a satisfactory exchange of information.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the holder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident holder of the Notes is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of the Notes from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Holders of the Notes may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individuals holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any

relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 (**Decree 66**), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of the Notes. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of the Notes is not required to declare the capital gains in its annual tax return. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of the Notes is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree No. 66, depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by a holder of the Notes which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a holder of the Notes which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be

included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax (with certain adjustments for fiscal year 2015 as provided by the Finance Act for 2015).

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351 as subsequently amended apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The countries which allow for a satisfactory exchange of information are listed in the Ministerial Decree dated 4 September 1996, as amended from time to time.

Please note that, according to the Budget Law 2008, a Decree still to be issued should introduce a new 'white list' replacing the current "black list" system, so as to identify those countries which (i) allow for a satisfactory exchange of information; and (ii) do not have a more favourable tax regime.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of the Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

- any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. As of 1 January 2014, the stamp duty applies at a rate of 0.2 per cent. and, for taxpayers different from individuals, cannot exceed €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.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012 of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on Notes deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

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 State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and

may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Implementation in Italy of the Directive

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (**Decree 84**). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

The proposed European financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

Taxation in Luxembourg

The following information is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor

should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (as amended) (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**) as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to withholding tax at a rate of 10 per cent.

Certain payments on Notes may be subject to U.S. withholding tax under FATCA

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain payments made after 31 December 2016 by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Italy (the **IGA**). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

SUBSCRIPTION AND SALE

Banca Akros S.p.A., Banca IMI S.p.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, ING Bank N.V. and UniCredit Bank AG (the **Joint Lead Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 8 April 2015, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.002 per cent. of the principal amount of Notes, less the total commissions referred to in the Subscription Agreement that the Joint Lead Managers will receive for services rendered in the context of the issue of the Notes. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Manager nominated by the Issuer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (i) the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- (ii) the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may require information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 10 March 2015.

Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The total expenses related to the admission to trading are estimated at €5,590.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the issue is XS1214547777 and the Common Code is 121454777.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

Eurosystem Eligibility

The Notes are issued in NGN form and intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue of the Notes or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. As at the date of this Prospectus, one of the Eurosystem eligibility criteria for debt securities is an investment grade rating and, accordingly, as the Notes are unrated, they are not expected to satisfy the requirements for Eurosystem eligibility.

No significant change

There has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer and the Group since 31 December 2014.

Litigation

Save as disclosed in this Prospectus at pages 56 to 58 above, none of the Issuer or any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent Auditors

The independent auditors of the Issuer are PricewaterhouseCoopers S.p.A., Via Monte Rosa 91, 20149 Milan, Italy, who have audited the Issuer's annual consolidated financial statements, without

qualification, prepared in accordance with IFRS for each of the financial years ended on 31 December 2014 and 31 December 2013.

Legend concerning US Persons

The Notes and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection by the Noteholders from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (a) the by-laws (*statuto*) (with an English translation thereof) of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2014 and 31 December 2013 (with an English translation thereof), in each case together with the audit reports in connection therewith.
- (c) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published unaudited quarterly and semi-annual consolidated financial statements of the Issuer (in each case with an English translation thereof). The Issuer currently prepares audited consolidated accounts on an annual basis and unaudited consolidated accounts on a quarterly basis. The Issuer's consolidated semi-annual accounts are subject to a limited review by its external auditors;
- (d) the Subscription Agreement, the Agency Agreement;
- (e) a copy of the Prospectus; and
- (f) a copy of any supplement to this Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Prospectus and each document incorporated by reference is available on the Luxembourg Stock Exchange's website at www.bourse.lu.

Yield

On the basis of the issue price of the Notes of 99.002 per cent. of their principal amount, the gross yield of the Notes is 2.658 per cent. on an annual basis.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and their affiliates (including their parent companies) have engaged, are currently engaged, and may in the future engage, in lending, advisory and investment banking services, commercial banking (including derivatives contracts, the provision of loan facilities and consultancy services) and other related transactions with, and may perform services to the Issuer and their affiliates (including other members of the Group) in the ordinary course of business.

In addition, in the ordinary course of their business activities, certain of the Joint Lead Managers and their affiliates (including their parent companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. Any Joint Lead Managers and their affiliates (including

their parent companies) that have a lending relationship with the Issuer have routinely granted significant financing to the Issuer, including its parent and group companies, and could hedge their credit exposure to the Issuer consistent with their customary risk-management policies. Typically, any such Joint Lead Managers and their affiliates (including their parent companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes . Certain of the Joint Lead Managers and their affiliates (including their parent companies) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

Prysmian S.p.A.

Viale Sarca 222
20126 Milan
Italy

FISCAL AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

To the Issuer as to English and Italian law

Clifford Chance Studio Legale Associato

Piazzetta M. Bossi 3
20121 Milan
Italy

To the Joint Lead Managers as to English and Italian law

Allen & Overy – Studio Legale Associato

Via Manzoni 41-43
20121 Milan
Italy

Corso Vittorio Emanuele II 284
00186 Rome
Italy

AUDITORS TO THE ISSUER

PricewaterhouseCoopers S.p.A.

Via Monte Rosa 91
20149 Milan
Italy

LUXEMBOURG LISTING AND PAYING AGENT

Banque Internationale à Luxembourg SA

69 route d'Esch
L - 2953 Luxembourg