

# CREATING AND SECURING VALUE

Prysmian success story in its tenth year

Shareholder's handbook  
April 2015



**Prysmian**  
Group



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## MESSAGE OF THE CEO VALERIO BATTISTA

Dear Shareholder,

I'm pleased to give you my personal welcome to the second yearly issue of this Handbook. As our investors' basis grows more and more larger, Prysmian Group publishes this quick guide with the aim of accompanying our private shareholders towards a deeper knowledge of our company and a better understanding of how it works and creates value for you. The role and the importance of individual shareholders have further grown in recent times as they represent nowadays over 8% of Prysmian Group equity capital. 2014 was the year of YES - Your Employee Shares, the program for employees to become shareholders that we launched late in 2013 in 28 countries.

With this Handbook we provide every year our shareholders with a clear and simple representation of what we do and results we achieve, to allow them to fully take part to the company life.

Participation was high, by end of 2014 some 5,000 people, more than 30% of those entitled persons, have joined. Recently we opened the enrollment of phase 2 that we are confident will be successful as well.

We firmly believe that our shareholders, even the smaller ones, are an important asset and that their contribution to the company's life is extremely valuable.

You will find here also some essential information on Prysmian Group and its businesses as well as about principles and values that lead Prysmian Group's behavior in the globe economic arena. At the end, a short Glossary will help you to better understand some technical terms.

Creating value for shareholders, is the very heart of our mission. We believe that providing clear and reliable information is part of the value creation process. In 2014 too we delivered on our commitment to protecting profitability, in the spite of some unexpected obstacles



we managed to overcome successfully. Prysmian Group has achieved its stated targets, unlike other industry players. Positive sales and earnings performance by the higher value added businesses of power transmission along with a solid recovery in the Telecom business allowed us to limit the negative impact of weak demand in other areas, more exposed to the cyclical economic trends. Further improvement in net financial position and commitment to cost control, have all helped to confirm our Group as the global leader of the cable industry thanks to its indisputable capability of continuously innovating and pioneering the future.

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 [About Prysmian Group >>](#)

# AT THE VERY HEART OF THE GLOBAL ECONOMY

Prysmian Group is the world leader in the energy and telecom cables and systems industry. With presence in 50 countries, around 19,000 people and 89 plants, the Group is at the high-tech end of the energy and telecom cable sectors.

## LEADER OF A CRUCIAL GLOBAL INDUSTRY

We provide superior cable solutions based on world-class technology and excellence in execution. Our customers are major power and telecom providers from all over the world, the lifeblood and the nervous system of the globe's economy. Within this very crucial industry we are the global leader.

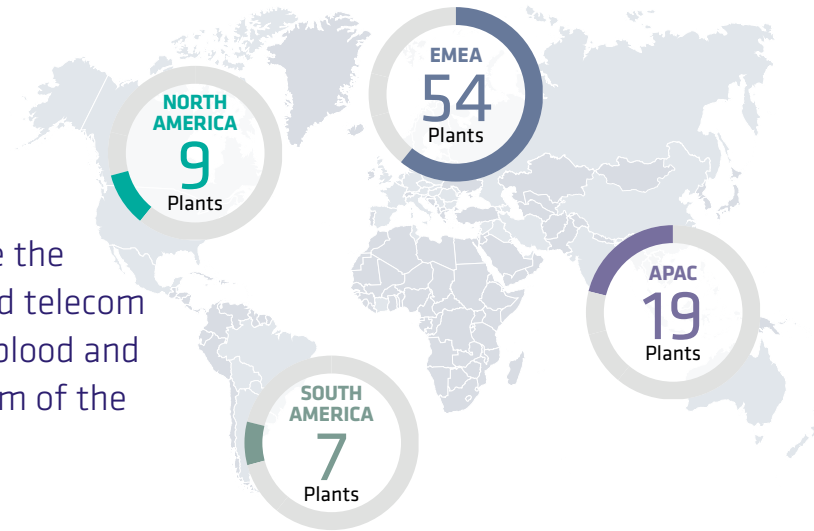
THE HALLMARK OF PRYSMIAN IS CUSTOMER CENTRICITY, THE ABILITY TO ANTICIPATE AND QUICKLY MEET OUR CUSTOMERS' NEEDS.

Our customers are the planet's power and telecom providers, the lifeblood and the nervous system of the global economy.

## OUR CUSTOMERS ARE

**Energy providers** around the globe. Our cable solutions help them produce, transmit and distribute power. Unmatched in our manufacturing capabilities and with an unwavering commitment to R&D, we design, produce and install low, medium, high and extra-high voltage submarine and underground cables and systems from Asia-Pacific to the Americas, from Europe to the Middle East and Africa.

**The global industrial system**, from traditional and renewable energy production, to heavy-duty industries such as mining, tunnel drilling, cranes, nuclear power and defence, to the automotive, oil & gas, elevator, rolling-stock, marine and aviation industries, we bring innovative cable technologies and solutions.



**The global information and communication system.** With a wide range of optical cables and fibre solutions for voice, video and data, centres of excellence in Europe, United States and Brazil and important partnerships with major telecom operators worldwide, we are one of the world's top manufacturer of telecom cables, developing infrastructures that support information flows and communication between communities around the world.





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 [Prysmian Group since 1900 >>](#)

## A 130-YEAR HISTORY THAT HAS JUST BEGUN

The journey begins two centuries ago: **it is 1879** and the company, at that time named Pirelli Cavi as part of the Italian industrial Group Pirelli, starts to make insulated electric cable for industrial use. Just few years later a new underwater cables facility is built in Italy and 5,150 km of telegraph cable are laid between Italy and the American continent, establishing the company on the international stage.

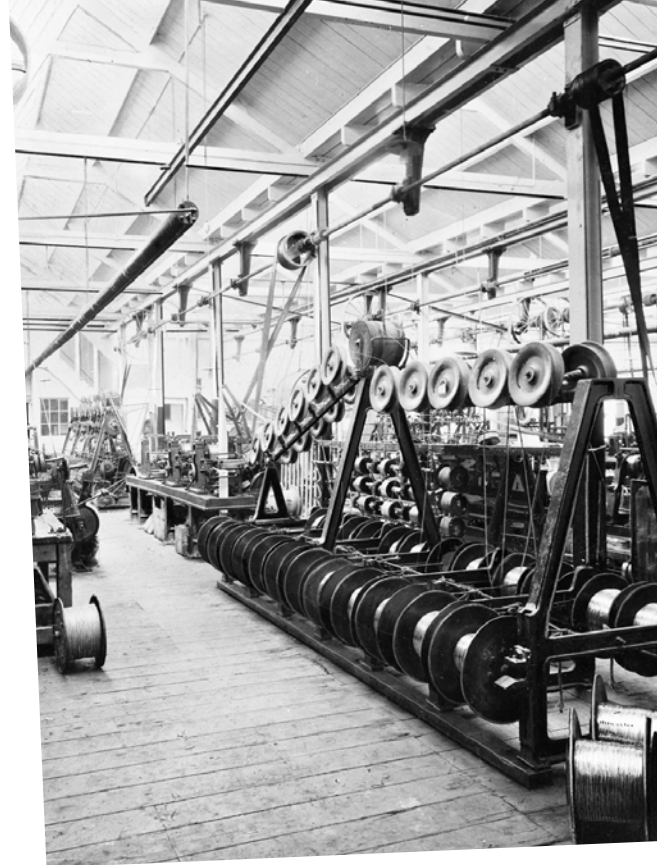
A new phase of growth and internationalization follows and culminates **in the Nineties of last century** in a strong acquisition campaign (Siemens Energy Cables, Metal Manufacturers, NKF Holland, Nokia Finland, BICC General), aimed at expanding commercial and industrial activities, immediately followed by radical restructuring processes.

In 2005 Pirelli Group transfers the Cables and Energy and Telecommunication Systems activities to Goldman Sachs,

which renames the company Prysmian. Two years later, **in 2007, Prysmian is listed on the Italian Stock Exchange**, as a result of the sale of part of the stake held by Goldman Sachs.

**In 2010**, with the definitive exit of GS, **Prysmian becomes a full public company**, with the whole equity capital owned by a number of institutional investors from all over the world.

At the end of the same year, Prysmian and the Dutch player Draka decide to combine over 130 years of industrial experience and excellence and to give birth to the world global leader in the cable industry. **It is February 2011: Prysmian Group is born.** The assets and the know how capitalized by Prysmian and Draka over time allowed the new Prysmian Group to embark in a



drive of renewed growth in the world's high value market and business of cables and systems. A new journey rewarded by increasing profitability and the appreciation of investors and financial markets.

Industrial excellence in technology and innovation

1879

Establishment of first operations in Italy.

2007

Prysmian listed in the Italian Stock Exchange.

2010

Prysmian becomes a public company.

2011

Birth of the Prysmian Group.

2015

Prysmian is celebrating its 10th anniversary.



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# THE CHALLENGE OF BEING A PUBLIC COMPANY

Prysmian Group is a public company. Meaning that its ownership is shared among a number of investors, mainly institutional, all over the world.

There is not a single shareholder or a group of shareholders who controls the company. Thus, the management is independent and can devote all his efforts to creating value for shareholders.

## CHALLENGES AS A PUBLIC COMPANY

- Deliver value and superior results to all shareholders
- Keep a fair valuation to remain independent and enable growth strategy
- Match corporate governance benchmarks
- Create trust of shareholders

Prysmian Group is the global leader in the cable industry, a position it gained in 2011 thanks to the acquisition of the Dutch competitor Draka.

The public company model is a milestone which guarantees shareholders, customers, employees and all stakeholders that the company is managed in their very interest to create value in the long term.

According to [recommendations of Self-Regulatory Code by Borsa Italiana](#) and general accepted best practices, the majority of Directors in the Board is not-executive and independent. This guarantees that all choices are taken in the interest of shareholders.

The most important moment of the company's life is the [Annual Shareholders' Meeting](#), when each shareholder can evaluate the job performed by the management and vote what they have done.

In 2013 Prysmian Group decided that its [shareholder structure had to become even more public](#), by offering its employees the chance of becoming also owners of the company they work for.

That was YES - Your Employee Shares - program. The ownership of Prysmian Group, mainly made of International institutional investors, such as big investment funds from the U.S. and the U.K., was enlarged to a new rank of shareholders, employees who decided to strengthen their link with the company they work for.

Over 23,000 shareholders

PRYSMIAN IS NOW ONE OF ITALY'S FEW GLOBALLY PRESENT INDUSTRIAL COMPANIES THAT HAS ACHIEVED PUBLIC COMPANY STATUS IN RECENT YEARS

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# PRYSMIAN GROUP OWNERSHIP STRUCTURE

Prysmian Group is a Public Company with a **free floats** equal to 100% and approx. 8% of its capital held by retail investors.

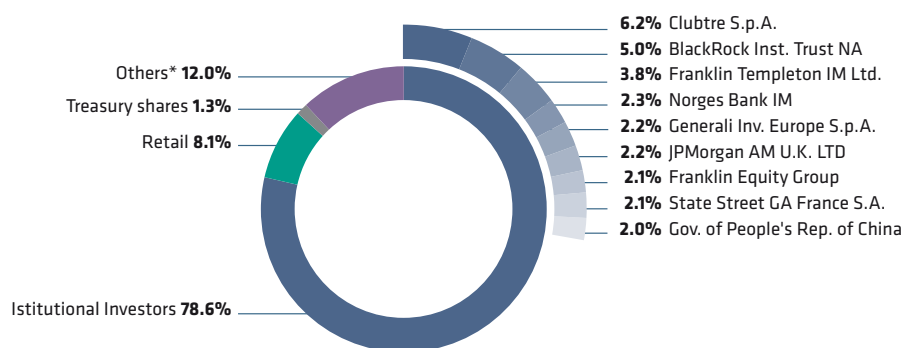
As of December 31, 2014, Prysmian Group's **free float was equal to 100% of the outstanding shares**. Shareholdings

in excess of 2% accounted for just 28% of total share capital, confirming there were no majority or controlling interests.

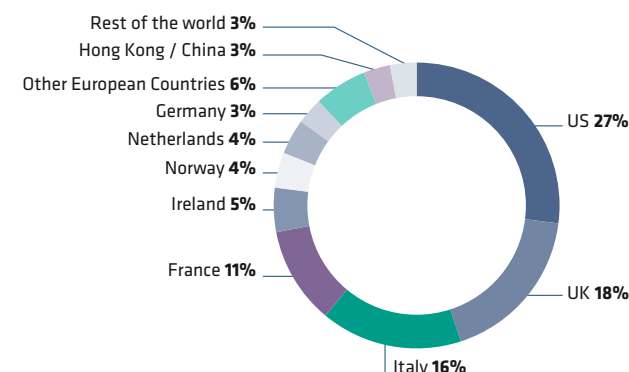
At 31 December 2014, the share capital of Prysmian S.p.A. amounted to € 21,671,239.70 comprising 216,712,397 ordinary shares with a nominal value of €0.10 each.

The **ownership structure by geographical area**

confirms the predominant presence of US and UK investors, who at the end of 2014 accounted for around 45% of the capital held by institutional investors; they were followed by Italian institutional investors with 16% and by the French with 11%, both higher than the previous year. Lastly, the proportion of Asian investors was stable.



\* Mainly includes shares held by non-institutional investors and shares with third-party custodians held for trading. Source: Nasdaq OMX, Thomson One (December 2014).



More than 70% of the share capital held by institutional investors is represented by **investment funds** with **Value, Growth or GARP** strategies, therefore focused on a medium to long term horizon. The proportion of investors adopting an **Index investment strategy**, based on the principal stock indexes, was stable compared with the prior year.

CONTACT WITH THE FINANCIAL MARKETS WAS PARTICULARLY INTENSE IN 2014, INVOLVING MORE THAN 400 ONE-TO-ONE OR GROUP MEETINGS AT THE COMPANY'S OFFICES, ROADSHOWS IN THE MAJOR FINANCIAL CENTRES OF EUROPE AND NORTH AMERICA, AS WELL AS PARTICIPATION AT CONFERENCES ORGANISED BY MAJOR INTERNATIONAL BROKERS.

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# PEOPLE: THE VERY STRENGTH OF PRYSMIAN GROUP



For Prysmian Group, human capital is the strategic asset for the achievement of profitability and value creation. As a true public company, Prysmian Group banks on the independence, business excellence and reliability of its managers. Thus, it devotes a major effort to the management of human resources, to incentive them and give them personal motivation: fully exploiting the potential of the managers of today while creating the managers of tomorrow through specific training and educational programs.

## CHASING TALENT WORLDWIDE

Build the Future is the international programme for the selection and recruitment of new graduates from all over the world. Launched in 2012, it has resulted in the recruitment of around 130 young people from several countries. For the 2014-2015 programme 16,000 applications have been collected and 50 candidates were selected. The initiative was intensely promoted on the web both globally and locally, through social networks such as LinkedIn and Monster, GraduateLand and ChinaJob, and in the websites of major international universities of Economy and Engineering.

## TRAINING AND DEVELOPMENT

Prysmian Academy, the international school of managerial and professional education created in partnership with SDA Bocconi, whose mission is to develop and consolidate the technical and professional skills of Group management, involved 600 employees in 2014 with another 600 expected to be involved during 2015. In 2014, the Academy also introduced a leadership assessment and development process, with programmes developed in partnership with the consulting firm CEB, with the aim of preparing the future people pipeline and planning succession. Around 250 employees have been involved, including executives, middle managers and technicians.

## MEASURING PERFORMANCE

Prysmian People Performance, or P3 System was created in 2012 to align personal objectives with those of the Group, facilitate communications between managers and staff, train those deemed most deserving. In 2013/14 the P3 project was extended to all Group countries and businesses, involving the entire working population of Prysmian.

Prysmian invests into its people and gets them to work together for the future



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# BUSINESS OVERVIEW

## Leader in innovation and technology excellence

Prysmian Group is number one in the global energy and telecom cables and systems industry.

The business of Prysmian is organized along three Operating Segments. **Energy Projects** covers high-tech and high value-added businesses whose focus is on projects and their execution, as well as on product customisation: High Voltage underground, Submarine and SURF. **Energy Products** covers the businesses offering a complete and innovative product portfolio designed to meet the various and 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).

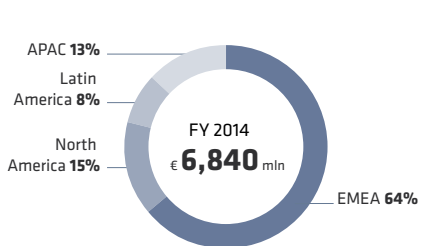
**Telecom** is engaged in the manufacture of cable systems and connectivity products used in telecommunication networks (including optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables).

## Profitability target met in 2014

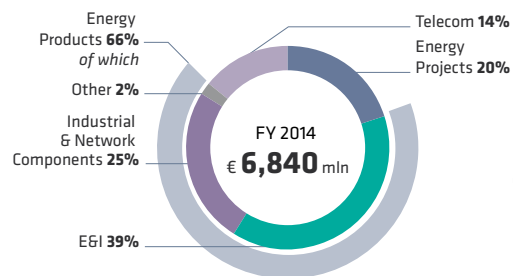
The Group's performance in 2014 confirmed signs of a slight recovery in sales volumes, with profitability within the target. The decisive contributions to this result were from the strategic submarine business, with strong growth, and from optical

cables, with recovering volumes and profitability. This was a particularly significant result, having been achieved in a still difficult scenario, that has seen weakness in the more cyclical sectors, like power distribution cables, and a slowdown in the Oil & Gas market. The results were also impacted by some technical problems encountered in the execution of the important Western Link project, which have been properly managed and addressed. Group Sales amounted to Euro 6,840 million, posting organic growth of 1.8% . Excluding the adverse impact of the Western Link project, organic growth would have been +2.7%. Adjusted EBITDA came in at Euro 509 million, compared with Euro 613 million in 2013, but excluding the adverse impact of Western Link would have been Euro 603 million, basically in line with 2013.

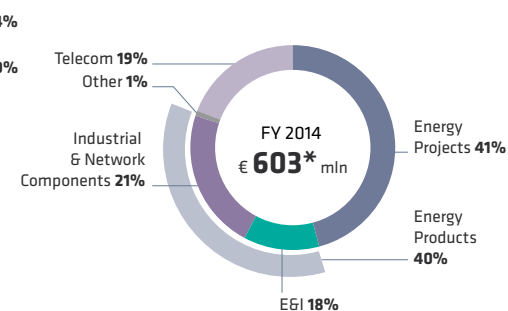
## SALES BREAKDOWN BY GEOGRAPHY



## SALES BREAKDOWN BY BUSINESS



## ADJ. EBITDA BY BUSINESS



\* Excluding WL submarine project effect



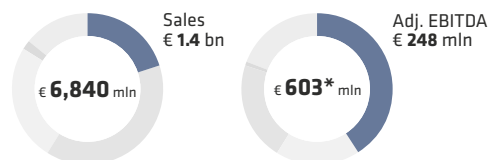
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## ENERGY PROJECTS



The Energy Projects Operating Segment covers high-tech and high value-added businesses whose focus is on projects and their execution. Prysmian engineers, manufactures and installs high and extra high voltage cables for underground and submarine power transmission directly from power stations to the primary distribution networks. It develops the advanced “turnkey” submarine cable systems for installation at depths of up to 2,000 metres, thanks to the world’s most advanced cable-laying ships “Giulio Verne”. It also offers advanced services for connecting offshore wind farms, as well as a full range of SURF (Subsea Umbilical, Riser and Flowline) products and services for offshore exploration by the oil industry.

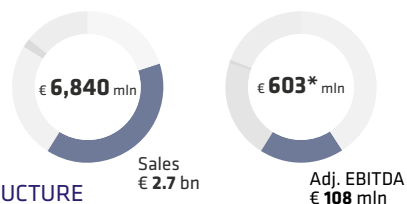


### MAJOR CONTRACT FOR OFFSHORE WIND PARK IN GERMANY >>

In 2014 Prysmian Group was awarded by 50Hertz Offshore GmbH, a subsidiary of Germany’s 50Hertz Transmission GmbH, a contract worth approximately €480 million to design, produce and install the power cable systems for the offshore wind park cluster West of Adlergrund in the German Baltic Sea.

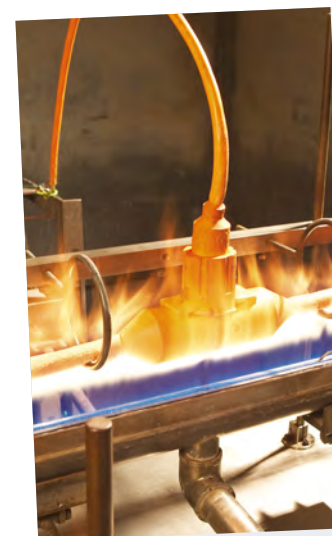
## ENERGY PRODUCTS:

### ENERGY & INFRASTRUCTURE



Energy and Infrastructures is part of the Energy Products Operating Segment and includes Trade & Installers and Power Distribution businesses. In Power Distribution, 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. The products for the Trade & Installers market include low voltage cables and systems for distributors and installers for the wiring of commercial and residential buildings. Fire-resistant and low-smoke halogen-free cables complete one of the widest and most comprehensive product ranges in the world.

\*Excl. WL effect



### FIRE SAFE CABLE SUPPLIED TO LEED'S ARENA IN THE UK >>

In 2014 the Energy Products Operating Segment saw Prysmian’s fire safety cables at the centre of the new Leeds Arena in the U.K. Prysmian’s FP200 Gold ‘standard’ fire resistant cable has been specified and installed in both the fire and public address systems at the new First Direct Arena. FP200 Gold is a tough, durable and dressable fire resistant cable, easy to install and terminate.

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## ENERGY PRODUCTS:

### INDUSTRIAL & NETWORK COMPONENTS

Industrial & Network Components is part of the Energy Products Operating Segment and includes the most comprehensive and technologically advanced response to the needs of a wide variety of industries: Specialties & OEMs (cables for railways, trains, aircrafts, ships, port systems, mining, nuclear industry, defence, marine, renewables and other niches), Oil & Gas (solutions for offshore and onshore exploration and production), Elevator (a wide range of products for the elevator market), Automotive (standard and specialist cables for the automotive and transport industry) and Network Components (accessories and components to connect cables and other elements).



## TELECOM

The Telecom Operating Segment makes cable systems and connectivity products used in telecommunication networks for voice, video and data transmission. The product portfolio includes optical fibre and optical cables, where Prysmian Group is one of the leading manufacturers worldwide, connectivity components and accessories for an efficient management of optical fibre within networks, OPGW (optical ground Wire) and copper cables.



\*Excl. WL effect



## FRAMEWORK AGREEMENT WITH THE SWISS RAILWAYS >>

Prysmian Group was awarded a framework agreement with the Swiss Federal Railways involving the supply of approximately 2,800 km of signaling cables to upgrade the entire Swiss rail network's infrastructure. The contract, secured in 2014, is worth approximately 26 million euro. The cables will be manufactured in Berlin, Germany and delivered on a call-off basis over a 5-year period, from October 2014 to the end of 2019.



## NEW TOP END TECHNOLOGIES SHOWCASED IN STOCKHOLM >>

In 2014 the Telecom Operating Segment took the occasion of the FTTH Council Europe Conference, the world's largest event for Fibre-to-the-Home held in Stockholm, to showcase its innovative solutions. In particular, it presented its *Flextube*® technology, the response of Prysmian to ever increasing needs for cable miniaturisation.

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# A STRATEGY FOR GROWTH

**Customer Centricity and Creating Value for Shareholders: these are the fundamentals of our growth strategy.**

Prysmian places stakeholders at the centre of its business strategy, the core guidelines of which are based on Customer Centricity, meaning the ability to anticipate and satisfy customer needs by offering innovative products and cable systems, and Creating Value for Shareholders, in terms of total return on investment and profitability in the short run, but above all in the medium to long term.

## VISION

We believe in the efficiency, effectiveness and sustainability of energy and information delivery as the prime driver for developing communities.

## MISSION

We provide our customers worldwide with superior cable solutions based on state-of-the-art technology.

## VALUES

Excellence. Integrity. Understanding.



To pursue its strategy, the Group constantly strives to strengthen its competencies in the areas of Research and Development, human resource development and environmental sustainability, while paying great attention on transparency, good Governance and confidence of markets and investors, key factors for value creation also because of Prysmian's public company status. Remarkable emphasis is laid on rationalisation and efficiency of industrial and commercial processes but also on operating profitability levels and cash generation, with a particular focus on working capital management and reduction of fixed costs and capital employed in order to maximise cash flow generation and return on investment both in the short and long run.

## MANAGING RISKS EFFECTIVELY

Since 2012, in view of the increasing complexity of its business, the constantly evolving legislative and regulatory

environment, and the continued instability of the economy and financial markets, Prysmian Group decided to devote even more attention to the risk management by implementing a dynamic Enterprise Risk Management (ERM) system and appointing a specific Internal Risk Management Committee, consisting of the Group's Senior Management. Further information on [Company website](#).

## BEING A LEADER ALSO IN INNOVATION

Prysmian Group has always given key strategic importance to Research & Development to maintain its market leadership, 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. Further information on [Company website](#).

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TO LEARN MORE

 [Corporate Governance >>](#)

 [Report on Corporate Governance and ownership structure >>](#)

# GOVERNANCE STRUCTURE AND EXECUTIVE MANAGEMENT

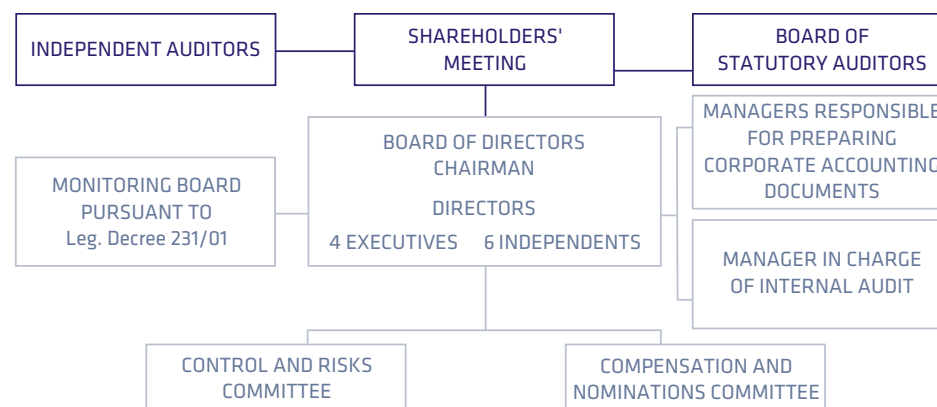
Prysmian Group's main and constant aim is to strengthen the principles of transparency and integrity.

The Corporate Governance structure adopted by the Company is inspired by the latest recommendations and rules laid down in the [Self-Regulatory Code by Borsa Italiana](#), adhering to national and international best practices.





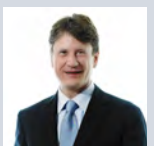


Prysmian is aware of the importance of a good corporate governance system in order to achieve strategic objectives and long-term sustainable value, by establishing a system that is **effective in complying with the legal and regulatory framework**, in line with international best-practice.

Prysmian's Corporate Governance structure is based on the central role of the **Board of Directors** (as the most senior body responsible for managing the Company in the interests of shareholders) in providing strategic guidance, in ensuring the **transparency** of the decision-making process and in establishing an **effective system of internal control and risk management**, including decision-making processes for both internal and external matters.

The model of governance and control adopted by Prysmian is the traditional one, with the presence of a general Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.



## EXECUTIVE MANAGEMENT

						
<b>VALERIO BATTISTA</b> Chief Executive Officer	<b>FABIO ROMEO</b> Chief Strategy Officer	<b>PIER FRANCESCO FACCHINI</b> Chief Financial Officer	<b>ANDREA PIRONCINI</b> Chief Operating Officer	<b>MASSIMO BATTAINI</b> Senior Vice President Energy Projects	<b>HANS NIEMAN</b> Senior Vice President Energy Products	<b>PHILIPPE VANHILLE</b> Senior Vice President Telecom Business



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## TO LEARN MORE

-  [Corporate Social Responsibility >>](#)
-  [Sustainability Reports >>](#)

- 12 Sustainable approach to managing the business

# SUSTAINABLE APPROACH TO MANAGING THE BUSINESS

Sustainability has become an even more integrated part of Prysmian Group's way of doing business, involving every function across the board: from environmental and social sustainability to the fostering and development of human capital, from production processes mindful of health, safety and the environment to relations with local communities.

## THE RESPONSIBILITY OF BEING A GLOBAL INDUSTRY LEADER

Prysmian Group believes that its leadership in the global cable industry carries a duty for assuring efficient, technologically advanced, high value-added products and services that is sustainable in the medium and long term. Operating in a responsible manner is not only a policy but a must for retaining

a lasting competitive edge that can create value for all the stakeholders.

The way the business is run aims to implement management and production processes which help improve the sustainability of the solutions offered to its customers, the development of its people and the environmental responsibility of its production systems.



## ENGAGING STAKEHOLDERS

Late in 2014, Prysmian Group held in Milan its first ever multi-Stakeholder Engagement event, devoted to the sustainability issue. The initiative opens the door to a new season of stakeholders' relationship with the aim of engaging them in the Group's CSR activities. It was indeed a strong message sent by Prysmian to stress its commitment to sustainability also by sharing its ideas, projects and priorities, with the aim of pursuing a sustainable and enduring growth over time.

## THE THREE DIMENSIONS OF A SUSTAINABLE APPROACH



### SOCIAL DIMENSION

The Prysmian Group's human capital strategy is the basis of its competitive edge. Investing in human resources is to develop innovative ideas, products and services that can satisfy even the most demanding customers. At the same time, to pay attention to the local communities and cultivate an active role in relations with them.



### ENVIRONMENTAL DIMENSION

Commitment to environmental stewardship and to the conservation of natural resources benefits both the organisation and its stakeholders. This approach is reflected in the management of the Group's production systems, where focus is on prevention and reduction of environmental impact through efficient use of resources, optimisation of logistics and responsible waste management.



### ECONOMIC DIMENSION

Reliability, accuracy and transparency of information, compliance with corporate governance best practices, great attention to risk management, innovation and customer satisfaction, with a persistent focus on efficiencies, results and shareholders' return.

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TO LEARN MORE

 [FY 2014 results >>](#)

# PROTECTING PROFITABILITY, CONTROLLING DEBT

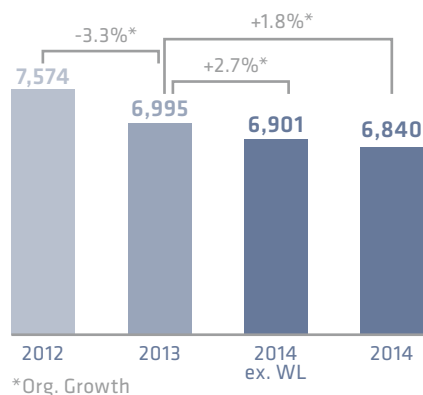
Global demand for cables grew slightly in 2014, especially in some market segments like optical cables and those for renewable energy. In this contest, Prysmian Group's Sales came in at Euro 6,840 million compared with Euro 6,995 million in the prior year,

posting a positive organic growth of +1.8% (would have been +2.7% excluding the negative extraordinary effect of Western Link project). Adjusted EBITDA was Euro 509 million, or Euro 603 million excluding WL effect, broadly in line with previous year

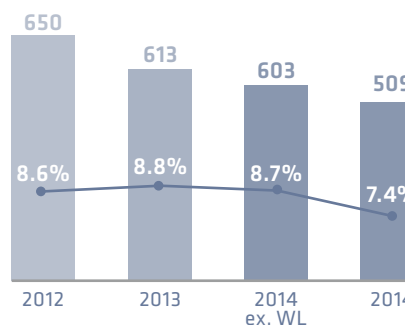
thanks to the contribution of Telecom and Submarine which partly offset lower margins in E&I and Industrial. To be noticed, once again the Group was able to strengthen its balance sheet by further reducing the net financial position.

## FINANCIAL HIGHLIGHTS (Euro million)

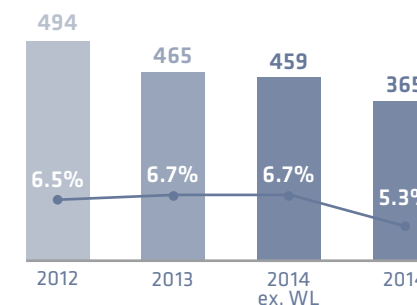
### SALES AND ORGANIC GROWTH



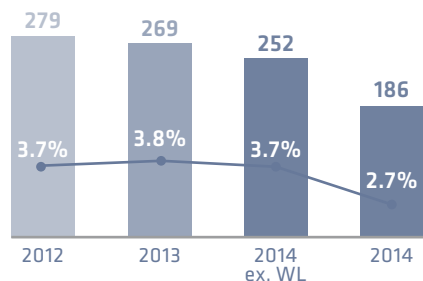
### ADJ.EBITDA AND % ON SALES



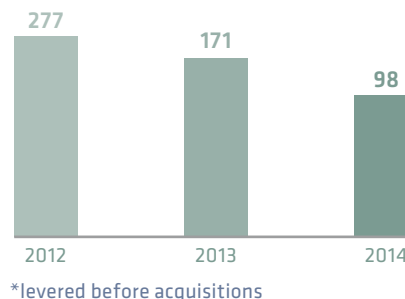
### ADJ.EBIT AND % ON SALES



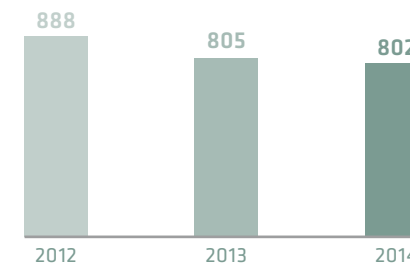
### ADJ.NET INCOME AND % ON SALES



### FREE CASH FLOW\*



### NET FINANCIAL POSITION






# PRYSMIAN SHARES OUTPERFORMED BOTH BENCHMARKS AND COMPETITORS

## INDEX

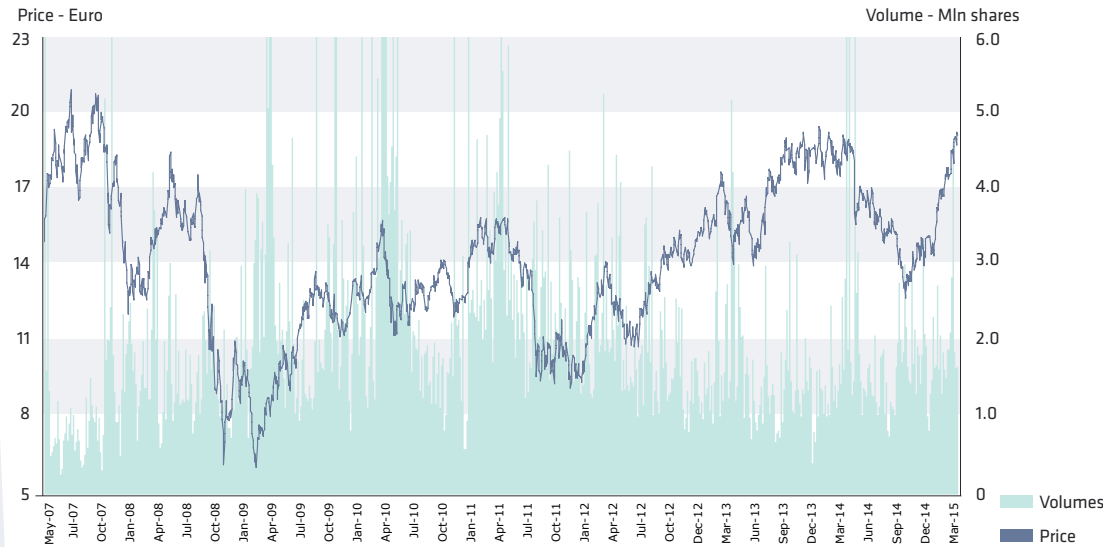
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## TO LEARN MORE

-  [Share information >>](#)
-  [Share performance >>](#)
-  [Investment Calculator >>](#)

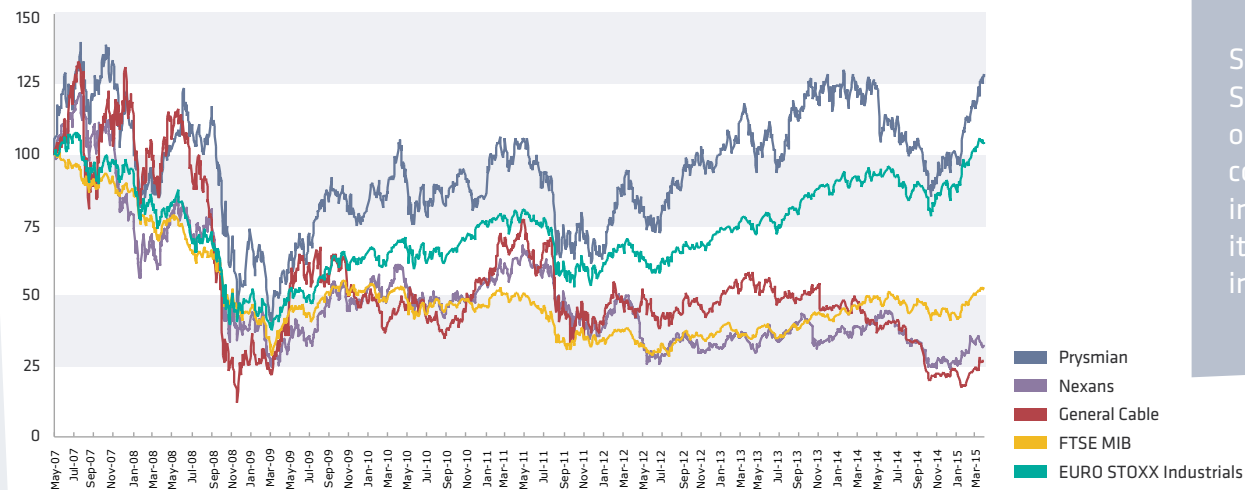
- 14 **Prysmian shares outperformed both benchmarks and competitors**

PERFORMANCE OF PRYSMIAN STOCK SINCE IPO



The Prysmian stock increased its value by approximately 28% from the IPO to the end of first quarter of 2015, closing at €19.19 as of March 31st 2015 and rising well above its initial listing price of €15 on May 3, 2007.

PERFORMANCE OF PRYSMIAN STOCK VS. INDICES AND PEERS SINCE IPO



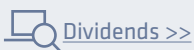
Since the IPO Prysmian Stock also significantly outperformed its competitors and benchmark indices, thereby increasing its weight within such indices.

Last update: March 31, 2015  
Source: Thomson One

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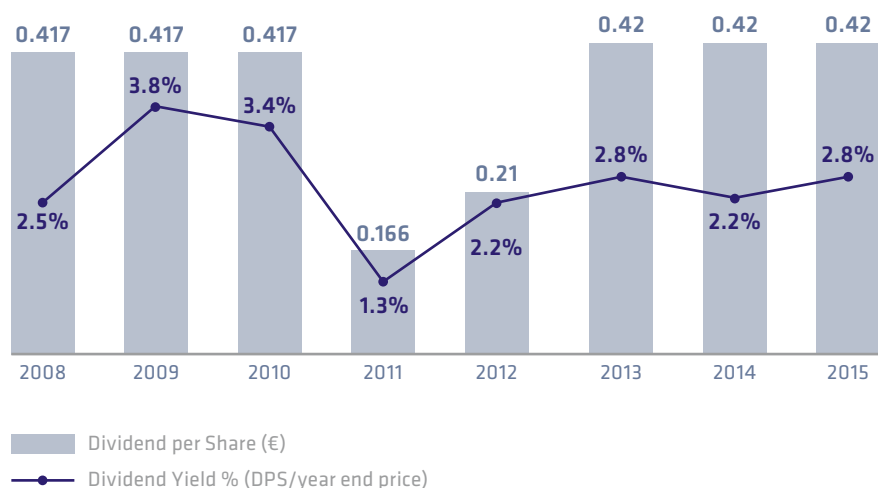
## A TOTAL RETURN FOR SHAREHOLDERS OF 44% SINCE THE IPO IN 2007

The stock's performance including dividends paid, or total shareholder return, was a gain of 44% since its listing date to the end of the first quarter of 2015. To give a comparison, over the same period the Euro Stoxx Industrial Index, a widely tracked benchmark, reported a gain of 4%, while the FTSE MIB of the Milan Stock Exchange was down by 47%. On the back of 2014 results the Board of Directors decided to propose to the Shareholders' Meeting

the distribution of a gross dividend per share of € 0.42, equal to around €90 million of cumulated dividends, in line with previous year. Since the IPO in 2007, the Group managed to pay a dividend for each single year, even in the midst of the financial crisis that hit first the US and then the European sovereign debt market, distributing around €570 million in cumulated dividends, equal to over 45% of consolidated net income in the whole period.

The dividend is the portion of profit that is distributed to shareholders according to the board recommendations approved by the Shareholders' Meeting. It is paid automatically into the bank account of the owner of the shares. The dividend will be paid only to those shareholders owning shares on the ex-dividend date, which for 2015 has been set as of April 20.

DIVIDEND PER SHARE AND DIVIDEND YIELD %



ABOUT €570 MILLION DIVIDENDS DISTRIBUTED TO SHAREHOLDERS SINCE BIRTH OF PRYSMIAN.






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## TO LEARN MORE

 [Quote & Chart >>](#)

 [Investor Kit >>](#)

 [IR Activity >>](#)

 [Borsa italiana >>](#)

# BECOMING A PRYSMIAN SHAREHOLDER

## HOW AND WHERE SHARES CAN BE BOUGHT

A securities account is needed in order to buy shares on the market. Investors who have a securities account can buy Prysmian shares through an authorized broker such as banks, or through a trading platform. Buying and selling orders are passed through in real time during market opening hours. The minimum purchasable amount is one share, while there are no limits up. In some countries there are restrictions to the ownership of foreign shares, that have to be checked by the local investor.

## HOW TO IDENTIFY...

For buying and selling purpose, shares are identified through the International Securities Identification Number (ISIN). For Prysmian shares the ISIN is IT0041760001.

## AND TRACK THE PRYSMIAN STOCK

Prysmian shares can be tracked on:

- [the Group website under Investor relations/Share performance](#)
- [the Italian Stock Exchange website](#)
- leading financial newspapers and websites

## SHARES ARE AN INVESTMENT

By buying Prysmian shares the investor acquires a part of the capital of the company. Each share is an investment, the return of which is not guaranteed, as it depends not only on the performance of the company from year to year but also on the financial markets trends which are by definition unpredictable.



## SHAREHOLDERS TAKE PART TO PROFIT DISTRIBUTION

The dividend is the part of profit that goes to shareholders. The shareholders may approve dividend distribution as proposed by the Board of Directors during the Shareholders' Meeting.

## LONG TERM INCENTIVE PLANS

Prysmian has long term retention schemes based on co-investment and performance share plans reserved to certain managerial positions. The current plan, subject to the approval of the Shareholders' Meeting, is conditional upon the achievement of performance targets; its main purposes are the generation of a strong commitment to achieving further profit growth and return on capital employed and the alignment of management's and shareholders' interest.

## YOUR EMPLOYEE SHARES PLAN

The [program YES](#) (Your Employee Shares) offers employees the opportunity to buy Prysmian shares at a discount of up to 25% on market price, settled in the form of treasury shares. The plan is structured in three annual tranches (2014-15-16): the first has been very successful, with some 5,000 employees which decided to become shareholders (over 30% of those entitled).


# WHEN SHAREHOLDERS GATHER FOR MEETING



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## TO LEARN MORE

 [Shareholders' meetings regulations >>](#)

 [Meeting Reports & docs >>](#)

The complete set of documents and information relevant for the Shareholders' Meeting are publicly available at the Company's registered office, at Borsa Italiana S.p.A., on the corporate website and in the central storage mechanism for regulated information prior to the meeting, by the legally-required deadline.

The Shareholders' Meeting, called through a notice indicating date, time and venue of the meeting, as well as the agenda, can be Ordinary and/or Extraordinary. The **Ordinary Meeting**, to be called at least once a year to approve the annual financial statements, approves also dividend distribution as proposed by the Board of Directors and periodically appoints members of the Board of Directors, Board of Statutory Auditors and Board of Independent Auditors, while determining their remuneration. The **Extraordinary Meeting** is called to discuss items that the Ordinary Meeting is not entitled to, such as extraordinary operations on capital.

## REGISTERING FOR THE MEETING

Shareholders have to inform in advance the company that they are intended to take part and eventually take the floor,

through a certificate issued by the authorised intermediary where their shares are deposited based on their records at the close of the accounting on the seventh trading day before the date of the Shareholders' Meeting. Those who require voting rights after this date will not be entitled to attend and vote.

## HOW TO EXERCISE THE VOTING RIGHT

Each share entitles Shareholders to one vote on each of the items on the agenda. Shareholders can vote in person, by proxy or through a representative designated by the Company.

## EXERCISING THE VOTING RIGHT BY PROXY

Each Shareholder may be represented at the meeting by giving a written power of attorney, using the proxy form available on the Company's website. The appointment of a proxy may also be notified, among others, by emailing the form to [corporate-pryspa@pec.prysmian.com](mailto:corporate-pryspa@pec.prysmian.com). Shareholders can appoint the Delegated Representative as their proxy, free of charge, by completing and signing the form available on the Company's website, giving also voting instructions on each item on the agenda.

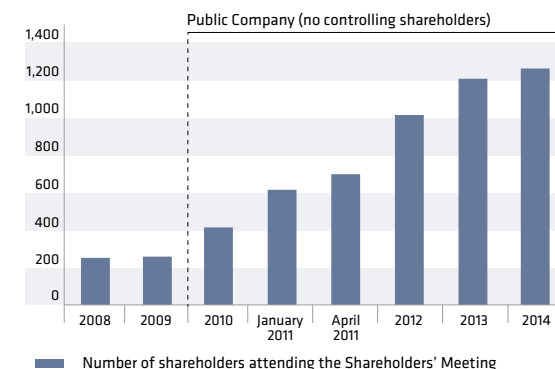
## CHECKING IN

Checking of entitlement to participate at general meetings shall commence, at the venue of the Shareholders' Meeting. Persons with the right to participate in the Meeting must provide documentary personal identification and the certificates indicated in the notice of calling. Company staff issue a specific document that the said persons are required to preserve through the duration of the Meeting.

## VOTES AND THE AFTERWARDS

After the discussion is completed, the different items in the agenda are being voted, under the instructions of the Chairman, who notifies shareholders of the outcome. Afterwards, the minutes of the meeting and the summary report of votes are published and made available to the public for consultation.

## ATTENDANCE AT SHAREHOLDERS' MEETING



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## TO LEARN MORE

 [Calendar >>](#)

 [2015 Shareholders' meeting call >>](#)

# 2015 SHAREHOLDERS' MILESTONES AND CALENDAR

Save the date: Shareholders' Meeting  
April 16, 2015

## ORDINARY SESSION

1. Financial statements at 31 December 2014; Directors' report; report by the Board of Statutory Auditors; report by the Independent Auditors.
2. Allocation of net profit for the year and distribution of dividend.
3. Determination of the number of members of the Board of Directors.
4. Determination of the term of office of the Directors.
5. Appointment of the Directors.
6. Determination of the remuneration of the Directors.
7. Grant of authority to the Board of Directors to buy back and dispose of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code; revocation of the authorisation to buy back and dispose of treasury shares under the shareholder resolution dated 16 April 2014; related resolutions.
8. Appointment of the independent statutory auditor for fiscal years 2016-2024: related resolutions.
9. Incentive plan: resolutions under article 114-bis of Italian Legislative Decree 58/98.
10. Consultation on the Prysmian Group's remuneration policies.

## EXTRAORDINARY SESSION

1. Proposal to increase the share capital free of charge, to be reserved to Prysmian Group employees for the implementation of an incentive plan, in a maximum nominal amount of Euro 536,480, through the award, under art. 2349 of the Italian Civil Code, of an equivalent maximum amount either of profit or of profit reserves, with the issue of up to no. 5,364,800 ordinary shares with a nominal value of Euro 0.10 each. Revocation of the authorisation to a similar capital under the shareholder resolution dated 16 April 2014. Amendment of art. 6 of the By-laws. Resolutions related thereto.

## ADDITIONS TO THE AGENDA

Shareholders who, individually or jointly, represent at least one fortieth of share capital are entitled to request, within ten days after the publication of the notice convening the Shareholders' Meeting, the addition of items to the agenda or submit proposed resolutions on items already on the agenda. This is without prejudice to the possibility for eligible voters to individually submit proposed resolutions directly at the Shareholders' Meeting itself. Any additions to the agenda will be published by the Company at least fifteen days before the date of the Meeting.

## USEFUL TO KNOW

At 31 December 2014, the share capital of Prysmian S.p.A. amounted to Euro 21,671,239.70, divided into 216.712.397 ordinary shares of nominal value Euro 0.10.

## INVESTOR CALENDAR

- Annual shareholders meeting:  
April 16, 2015
- Ex dividend date:  
April 20, 2015
- Dividend payment:  
April 22, 2015
- 1st Quarter financial results:  
May 7, 2015
- 1st Half financial results:  
July 30, 2015
- 9 months financial results:  
November 5, 2015

## CONTACTS

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[investor.relations@prysmiangroup.com](mailto:investor.relations@prysmiangroup.com)

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**ADJ. EBITDA:** a measure of gross profit enabling to verify whether the company's ordinary operations are profitable.

**BALANCE SHEET:** annual document reporting assets, liabilities and shareholders' equity of a company at the closure of the fiscal year.

**CORPORATE GOVERNANCE:** the system by which companies are directed and controlled.

**DIVIDEND:** profit distributed to shareholders and attached to the single share.

**DIVIDEND YIELD:** the return on a stock based on dividends for the year.

**FINANCIAL STATEMENT:** regular reporting of costs and revenues, usually quarterly.

**FREE CASH FLOW:** represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

**FREE FLOAT:** the amount of shares of a publicly listed company readily available on the market.

**FTSE MIB:** the benchmark index of the Italian stock market.

**IPO:** Initial Public Offering. The first sale of stock by a private company to the public.

**LISTED COMPANY:** a company whose shares are publicly traded on a regulated stock exchange. Many listed company have just a minority of shares being traded on the market while the controlling stake is owned privately.

**NET FINANCIAL POSITION:** shows a company's overall debt situation by netting the value of a company's financial liabilities and debts with its cash and other similar liquid assets.

**ORDINARY SHARE:** the minimum participation in the share capital of a company. Their characteristics include payment of dividends and voting rights in shareholders' meetings.

**ORGANIC GROWTH:** growth net of changes in the group structure, in metal prices and exchange rates.

**PUBLIC COMPANY:** a publicly listed company with no controlling shareholder whose shares are entirely detained by market participants: individual investors, funds, institutional investors.

**SELF-REGULATORY CODE BY BORSA ITALIANA:** part of the regulatory framework of the Italian Stock Exchange that a listed company can voluntary decide to adopt.

**STAKEHOLDER:** all persons or entities who can influence, be influenced by or have an interest in the activity of a company, in their capacity as employees, shareholders, customers, suppliers, commercial and financial partners, institutions.

**TOTAL SHAREHOLDER RETURN:** the percentage return of a share comprising both the change in the price and dividends distributed.

**TREASURY SHARES:** company shares repurchased for a variety of purposes, such as the funding of special shareholding programs.

**VALUE OR GROWTH STRATEGIES:** investment styles adopted by some institutional investors. Value investors look for companies that appear underpriced, growth investors look for companies showing above average earnings growth.

**YES:** Your Employee Shares, the program for employees to become shareholders launched by Prysmian late in 2013 in 28 countries.



Shareholder's handbook  
April 2015

**Prysmian**  
Group

