

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER ONE OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 16 APRIL 2014, THE PROPOSAL TO APPROVE THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013 AND TO ALLOCATE THE NET PROFIT, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

Financial statements at 31 December 2013; Directors' report and proposed allocation of net profit for the year; report by the Board of Statutory Auditors; report by the Independent Auditors; related resolutions.

Shareholders,

We are submitting the financial statements for the year ended 31 December 2013 for your approval and propose that you adopt the following resolution:

"The Shareholders' Meeting:

- *acknowledges the report by the Board of Directors,*
- *acknowledges the reports by the Board of Statutory Auditors and by the Independent Auditors,*
- *has examined the financial statements at 31 December 2013, which close with a net profit of Euro 184,684,558,*

RESOLVES

a) to approve:

- *the report on operations by the Board of Directors;*
- *the financial statements at 31 December 2013;*

as presented by the Board of Directors, as a whole and in their individual parts, along with the proposed provisions - which report a net profit of Euro 184,684,558;

b) to allocate the net profit for the year of Euro 184,684,558 as follows:

- *Euro 909 to the Legal Reserve, thereby reaching one-fifth of share capital at 31 December 2013, as required by art. 2430 of the Italian Civil Code;*
- *to each voting ordinary share (considering the treasury shares directly owned, as of today equal to no. 3,028,500) a gross dividend of Euro 0.42, equal to approximately Euro 89 million;*
- *Euro 536,480 to the "Reserve for share issue as per article 2349 of the Civil Code", subject to the approval by the Shareholders' Meeting of today of both the incentive plan to be executed with the granting of new shares, and the relevant share capital increase serving said incentive plan;*
- *to the retained earnings the remainder of approximately Euro 95 million.*

The dividend will be payable from 25 April 2014 and record date on 24 April 2014, with the shares going ex-div on 22 April 2014, and will be paid to those shares outstanding on the ex-div date".

* * *