

**Information memorandum under art. 114-bis Legislative Decree 58/1998 (T.U.F.)**

**Incentive Plan approved in 2006**

*(revised 13 May 2010)*

**Definitions.**

For the purposes of the present document, the terms indicated below shall have the following meaning:

<b>"Shares"</b>	the Company's ordinary shares, with a par value of Euro 0.10 each;
<b>"Shareholders' Meetings"</b>	the meeting of the shareholders of Prysmian S.p.A.;
<b>"Beneficiaries"</b>	the participants in the Plan;
<b>"Grant Date"</b>	the date on which Beneficiaries were specifically notified of the grant of Shares;
<b>"Prysmian Group"</b>	the Company and its subsidiaries and associates;
<b>"Options"</b>	the financial instruments that are the subject of the Plan and which entitle Beneficiaries, under the established conditions, to subscribe to a corresponding number of Shares;
<b>"Plan"</b>	the incentive plan, based on stock options for employees of companies in the Prysmian Group, and which is the subject of the present information memorandum;
<b>"Regulations"</b>	the document approved by the Company's Shareholders' Meeting on 30 November 2006, which regulates the operation of the Plan;
<b>"Issuer Regulations"</b>	the Regulations for issuers, issued by CONSOB (Italy's Stock Exchange Commission) in its resolution 11971/1999 (as subsequently amended).
<b>"Company" or "Issuer"</b>	Prysmian S.p.A., a company with registered offices in Viale Sarca 222, Milan, tax code, VAT number and Milan Companies Register number 04866320965.

**1. Participants.**

The Company's Shareholders' Meeting of 30 November 2006 originally identified 99 Beneficiaries of the Plan, all of whom were employees of the Company or of the Prysmian Group.

At the date of the present memorandum, the list of Plan Beneficiaries, as amended for those who have lost their options by leaving the Group's employment, comprises Pier Francesco Facchini, a Director of the Company, 38 Beneficiaries who serve on the Boards of Directors of companies controlled by the Issuer, and 50 other Beneficiaries, who are either senior or middle managers of the Company or Beneficiaries without link with the Company.

The presence of Mr. Facchini, a Director of the Company, means that the Plan qualifies as "relevant" for the purposes of art. 84-bis, par. 2 of the Issuer Regulations.

As required by Appendix 3A, template 7 of the Issuer Regulations, the appended table to the present information memorandum lists the Plan's beneficiaries at the current date, specifying by name the sole participant who serves on the Issuer's Board of Directors and the 38 members of the Boards of Directors of companies controlled by the Issuer, and the other participants by general category.

Under the Plan Regulations, no other options can be granted, nor any other Beneficiaries identified because 31 January 2007 was the final date set by the Shareholders' Meeting for the Board of Directors to identify additional Beneficiaries.

**2. *Reasons for adopting the plan.***

The purpose of adopting the Plan was to increase the involvement of persons in key positions in the pursuit of the performance objectives of the Company and the Prysmian Group, by associating a long-term financial incentive with growth in the business's value for shareholders.

At the same time, the grant to management of instruments representing the Company's value aims to contribute to aligning management interests with those of shareholders, by promoting their identification with the Prysmian Group, while having an important benefit in terms of personnel retention.

The Beneficiaries are liable for any tax on the benefits arising under the Plan.

The Plan is not supported by any special provisions.

### **3. Approval and timing of grant of the instruments.**

On 30 November 2006, the Company's Extraordinary Shareholders' Meeting approved a stock option based incentive Plan together with the Regulations governing its operation; the validity of this Plan was dependent on the flotation of the Company's shares on Italy's Electronic Equities Market (MTA) organised and managed by Borsa Italiana S.p.A., which duly occurred on 3 May 2007. At the same time, the Shareholders' Meeting approved a share capital increase for cash, to be carried out in several, separate stages, for the purposes of the above Plan, up to a maximum amount of Euro 310,000.00.

A total of 2,963,250 options were granted under this Plan to purchase a corresponding number of the Company's Shares at a price of Euro 4.65 per Share.

During the three years from the Grant Date (4 December 2006), 167,775 Options have been cancelled for 10 Beneficiaries who left the Group's employment, while 2,115,638 Options have vested, in respect of which 2,021,587 Shares have been purchased.

At today's date, there are 94,051 vested Options that have not yet been exercised, and 679,837 Options that will vest on 4 December 2010.

Such Options can only be exercised by Beneficiaries during the so-called "Exercise Periods", defined as each period of thirty days starting from the day after publication of the press release informing the public of the Board's approval of the Company's annual financial statements or half-yearly report.

On 15 April 2010, the Company's Ordinary Shareholders' Meeting approved the proposal by the Board of Directors, previously examined by the Compensation and Nominations Committee, to extend the last date by which Beneficiaries could exercise Options that have already vested and those that will vest later this year. The same Extraordinary Shareholders' Meeting also approved the extension until 30 June 2013 of the final term for increasing share capital by up to Euro 310,000.00 (of which Euro 77,388.80 remained at the date of 15 April 2010) to service the Plan.

As a result of the amendments to the Plan made by the Shareholders' Meetings of 15 April 2010, and reflected in the Plan Regulations under the resolution adopted by the Board of Directors on 13 May 2010, the final date for exercising the Options is now calculated with reference to the "Exercise Period" following the Board's approval of the Company's financial statements draft for the year ended 31 December 2012.

#### **4. Characteristics of the instruments granted.**

The Plan, reserved for employees of companies in the Prysmian Group, entails the free grant of options to purchase the Company's ordinary Shares of par value Euro 0.10 each.

The Options vest in four equal annual instalments on the anniversary of the date on which they were granted to Beneficiaries, namely 4 December 2006.

Vested Options can be exercised only during the "Exercise Periods".

Vested Options can be exercised on condition that the Beneficiary is still an employee at the vesting date and provided any other conditions (which may be required by law, regulations or the Company's by-laws) have been met and to which the Board of Directors has the power to subordinate option vesting and exercise. The notifications informing Beneficiaries of the grant of the Options do not contain any vesting conditions other than continued employment within the Group.

If a Beneficiary leaves the Group's employment for whatever reason, the unvested Options at the date of sending the related letter of resignation or termination of employment will be automatically cancelled in full, unless cessation of employment is due to the Beneficiary's decease or permanent disability, in which case the Board of Directors shall see to making exceptions to this provision. In addition, if a Beneficiary resigns without just cause or if employment is terminated for just cause, any vested but unexercised Options, again at the date of the letter of resignation from the Beneficiary, or notice of termination of employment from the employer, shall be automatically cancelled, while if a Beneficiary resigns for just cause or his employment is terminated without just cause, any vested but unexercised Options may be exercised in accordance with the terms of the Regulations.

Each Option carries the right to subscribe to one Share at a price of Euro 4.65 per Share.

The unit price was determined by the Company's Board of Directors on the basis of the market value of the issuer's share capital at the date of the Plan's approval by the same Board of Directors. The value was determined on the basis of the Issuer's economic and financial results at 30 September 2006 and took account of (i) the dilution produced by the grant of the Options themselves, as well as (ii) the illiquidity of the presumed market value of the Issuer's share capital at that date.

The Black-Scholes method was used to value the Plan. On the basis of this

model, the weighted average of the fair values of the options at their Grant Date was Euro 5.78, determined on the basis of the following assumptions:

---

Average option life (years) .....	3.63
Expected volatility .....	40%
Average risk-free interest rate .....	3.78%
% expected dividends .....	0%

---

The above valuation by the Board of Directors was also confirmed in a calculation forming part of an indicative valuation opinion for IFRS purposes by KPMG in relation to the original Options.

The Board of Directors of Prysmian S.p.A. is responsible for administering the Plan.

The overall cost for the stock option Plan recognised, under IFRS 2, in "Personnel costs" in the income statement was Euro 300,000.00 at 31 December 2009.

Milan, 13 May 2010

Name or category	Office held	PART 2							
		Options							
		<b>Section 1</b>							
		Options relating to currently applicable plans, approved under previous shareholder resolutions							
Date of shareholder resolution	Instrument description	Number of financial instruments underlying options granted but not exercisable	Number of financial instruments underlying options exercisable but not exercised	Grant date by authorized board	Exercise price	Market price of underlying financial instruments on grant date	Option expiry		
SENIOR MANAGERS	n. 41	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	215.719	48.173	11/30/2006	4.65	n/a (*)	2013 (**)
MIDDLE MANAGERS	n. 7	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	26.148	0	11/30/2006	4.65	n/a (*)	2013 (**)
Beneficiaries without link with the Company	n. 2	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	2.179	2.237	11/30/2006	4.65	n/a (*)	2013 (**)
Pier Francesco Facchini	Director of the Issuer	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	98.051	0	16/01/2007	4.65	n/a (*)	2013 (**)
Giovanni Zancan	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	30.504	0	11/30/2006	4.65	n/a (*)	2013 (**)
Ozmen Hakan	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	30.504	0	11/30/2006	4.65	n/a (*)	2013 (**)
Tayfun Anik	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	26.147	0	11/30/2006	4.65	n/a (*)	2013 (**)
Fulvia Borghi	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	8.073	11/30/2006	4.65	n/a (*)	2013 (**)
Hans Hoegstedt	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Jordi Calvo	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Llyr Roberts	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Marcello Del Brenna	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	6.000	11/30/2006	4.65	n/a (*)	2013 (**)
Mario Tomasi	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Nicola Scafuro	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Paolo Bazzoni	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	13.073	11/30/2006	4.65	n/a (*)	2013 (**)
Paul Atkinson	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	13.074	0	11/30/2006	4.65	n/a (*)	2013 (**)
Javier Martin Arata	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	10.895	0	11/30/2006	4.65	n/a (*)	2013 (**)
Javier Zorraquino Asunsolo	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	10.895	0	11/30/2006	4.65	n/a (*)	2013 (**)
Stefano Poli	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	10.895	0	11/30/2006	4.65	n/a (*)	2013 (**)
Alberto Maffioli	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	8.716	0	11/30/2006	4.65	n/a (*)	2013 (**)
Roberto Cardì	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	8.716	0	11/30/2006	4.65	n/a (*)	2013 (**)
Gustavo Etchepare	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	6.537	1	11/30/2006	4.65	n/a (*)	2013 (**)
Mauro Ernandes de Moraes	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	6.537	1	11/30/2006	4.65	n/a (*)	2013 (**)
Alessandro De Felice	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Brian Di Lascia	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Cesare Biggiogera	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysmian S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)

Name or category	Office held	PART 2							
		Options							
		<b>Section 1</b>							
		Options relating to currently applicable plans, approved under previous shareholder resolutions							
Date of shareholder resolution	Instrument description	Number of financial instruments underlying options granted but not exercisable	Number of financial instruments underlying options exercisable but not exercised	Grant date by authorized board	Exercise price	Market price of underlying financial instruments on grant date	Option expiry		
Cinzia Farisè	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Ercan Karaismailoglou	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Gert Hoefman	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	1	11/30/2006	4.65	n/a (*)	2013 (**)
Luca Giorgio De Rai	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	13.073	11/30/2006	4.65	n/a (*)	2013 (**)
Luigi Sarogni	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Michael Simms	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Paolo Frascadore	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Paul Cinquemani	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Scott Adams	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	1	11/30/2006	4.65	n/a (*)	2013 (**)
Tony Tremonte	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	4.358	0	11/30/2006	4.65	n/a (*)	2013 (**)
Carlos Alberto Ferreira Godinho	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	0	11/30/2006	4.65	n/a (*)	2013 (**)
Charles Toutain	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	2.236	11/30/2006	4.65	n/a (*)	2013 (**)
Cicero F. Naves Correa	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	2	11/30/2006	4.65	n/a (*)	2013 (**)
Huberto Duplat Paiva	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	1.179	11/30/2006	4.65	n/a (*)	2013 (**)
Jamel Yusof	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	0	11/30/2006	4.65	n/a (*)	2013 (**)
Marcelo de Araujo Andrade	Director of subsidiary company	11/30/2006	Options over ordinary shares of Prysman S.p.A.	2.179	1	11/30/2006	4.65	n/a (*)	2013 (**)

(\*) The Company was listed on Italy's Electronic Equities Market (MTA), organised and managed by Borsa Italiana S.p.A., on 3 May 2007.

(\*\*) The expiry date is the 30th (thirtieth) day after the date on publication, in accordance with art. 66, par. 2 of the Issuer Regulations, of the announcement of the Board's approval of the Company's financial statements for the year ended 31 December 2012.